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ABSTRACT

Hearings were held on the reauthorization of the Special Supplemental Food Program for Women, Infants, and Children (WIC) and the extension of the Child Nutrition and National School Lunch Acts. Testimony on WIC concerns: the importance of and need for the WIC program; state and federal funding of the program; program effectiveness; experiences of WIC consumers; ways to improve and expand the program; infant formula cost containment systems; program regulations; and other related concerns. Testimony on the child nutrition and school lunch legislation focuses on administrative reform of the program; the effects of cuts in funding for the nutrition programs; problematic aspects of program implementation; legislative recommendations; and a variety of child nutrition programs, including WIC and the Nutrition and Education Training, Summer Food, Child Food Care, CASH, and CLOC programs. (RH)

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HEARINGS ON H.R. 24, CHILD NUTRITION AND WIC AMENDMENTS OF 1989

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HEARINGS

BEFORE THE

SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND
VOCATIONAL EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

FIRST SESSION

HEARINGS HELD IN WASHINGTON, DC, FEBRUARY 8 AND 28; AND
MARCH 2 AND 23, 1989

Serial No. 101-28

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HEARING ON THE SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS AND CHILDREN

WEDNESDAY, FEBRUARY 8, 1989

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND
VOCATIONAL EDUCATION,
COMMITTEE ON EDUCATION AND LABOR,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:06 a.m., in Room 2175, Rayburn House Office Building, Hon. Augustus F. Hawkins [Chairman] presiding.

Members present: Representatives Hawkins, Perkins, Hayes, Sawyer, Miller, Owens, Payne, Lowey, Poshard, Unsoeld, Rahall, Goodling, Fawell, Grandy, Smith, Bartlett, Gunderson, and Petri.

Staff present: John F. Jennings, counsel; Diane Stark, legislative specialist; Beverly Griffin, research assistant; and Mary Jane Fiske, senior legislative associate.

Chairman HAWKINS. This hearing on H.R. 24, the Subcommittee on Elementary, Secondary, and Vocational Education, is formally called to order.

I will not say all of the things that I had planned to say about the WIC program. It is obviously unnecessary to this group.

We are delighted to celebrate the sixteenth anniversary, and to do so by getting down to business in the job of reauthorizing the program.

We have introduced legislation, H.R. 24, in the House which is co-authored by the ranking Republican member of the Committee and myself.

At this time I would like to yield for a brief statement from the ranking minority member, because he must leave for a very important Budget Committee hearing which concerns WIC, as well, so we certainly want to accommodate him.

At this time I yield to Mr. Goodling.

Mr. GOODLING. Thank you, Mr. Chairman. I will just say, happy birthday to everybody again.

School lunch, child nutrition and all nutrition issues have been very much part of my interest since I have been in Congress for fourteen years, and will continue to be very much a part of my interests, because of course without good nutrition we cannot expect to accomplish any of the other goals that we may have.

(1)

I am anxious to hear what they have to report. I do have a Budget Committee hearing and I also have a funeral back in my district, so it is a tight schedule. Thank you.

Chairman HAWKINS. Thank you. Without objection, the full statement of the Chair and of any of the other members of the Committee who wish to have formal statements entered into the record will be granted that privilege.

[The prepared statement of Hon. Augustus F. Hawkins follows:]

Chairman Augustus F. Hawkins

February 8, 1989

OPENING STATEMENT

WOMEN, INFANTS, AND CHILDREN SUPPLEMENTAL FOOD PROGRAM

This morning, the Subcommittee on Elementary, Secondary, and Vocational Education will hear testimony regarding the Women, Infants, and Children Supplemental Food Program, which is more commonly known as WIC.

WIC is one of the most successful national health and nutrition programs. Through WIC, low income pregnant and postpartum women, infants and children who are at nutritional risk are given access to health care and food to supplement their diets. WIC participants also receive nutrition education and drug abuse education.

WIC is a very cost effective program. According to the Harvard University School of Public Health, every one dollar spent on WIC potentially saves three dollars in later health care costs. The WIC program has also been credited with reducing the number of low birth weight babies and decreasing the rate of premature births. Although WIC has received steadily increasing appropriations, the program currently serves only less than

half of those who are eligible.

The authorization for WIC expires on September 30, 1989. Mr. Goodling and I have introduced legislation, H.R. 24, which contains a simple extension of the current WIC authorization through 1995. Any modifications to the WIC program that are deemed necessary will be incorporated into H.R. 24. Today, we will hear testimony from a distinguished panel of experts who will share with us their suggestions for ways in which we might improve this very important program.

Chairman HAWKINS. At this time, because of a time constraint of the first witness, I would like to call on the Honorable Lawton Chiles. May I acknowledge and recognize the fact that for a long time Senator Chiles has been in the forefront in supporting this program which we are going to hear more about today.

It is a privilege and a pleasure, Senator Chiles, to recognize you at this time as Chairman of the National Commission to Prevent Infant Mortality.

**STATEMENT OF U.S. SENATOR LAWTON CHILES (RETIRED),
CHAIRMAN, NATIONAL COMMISSION TO PREVENT INFANT
MORTALITY**

Mr. CHILES. Thank you, Mr. Chairman, and to the distinguished members of the Committee.

I am delighted to have a chance to participate in your hearing and to participate in this birthday celebration today. I am delighted to hear that you all have already reintroduced the legislation to reauthorize the WIC program.

I would like to share a few of my thoughts and recommendations for improving the health and wellbeing of pregnant women and children in this country, and these are recommendations from the Commission to Prevent Infant Mortality.

Without a healthy birth, the future of a child is at risk and the potential of a child to grow both physically and mentally is at jeopardy. Without a healthy birth, infants have the cards stacked against them from the start.

A major cause of infant mortality is low birth weight. Too many babies are born too soon and too many are born too small. Many women never get the prenatal care and guidance and nutrition during their pregnancy. Too many babies never receive proper pediatric care.

We know that prenatal care works. We know that well baby care works. It is important to the health of the mother and it insures the health of the baby. We know that prenatal care is cost effective, costing as little as \$400, compared to perhaps \$400 thousand that is sometimes necessary to keep alive a low birth weight baby in a neonatal intensive care unit.

We know that comprehensive prenatal care and early pediatric care are cost effective. We certainly know that proper nutrition and nutritional education are key components to comprehensive prenatal care.

That is the major reason why I have come here today, to speak to you about the importance of the WIC program meeting the Commission's goal of providing preventive health care services for pregnant women and children.

Studies have shown that inadequate nutrition of pregnant women may account for as much as fifty-five to sixty-five percent of the low birth weight babies. Studies also show that participation in WIC for more than six months is associated with increases in birth weight and a full term pregnancy.

We know that WIC participation tends to encourage earlier and more adequate prenatal care. WIC also helps avert medical care costs. A study conducted at the Harvard School of Public Health

found that each dollar spent in the prenatal component of WIC averted three dollars in hospital costs.

In August the Commission released its report entitled "Death Before Life: The Tragedy of Infant Mortality." The major recommendation of that report was to provide universal access to comprehensive prenatal and pediatric care for all mothers and infants.

The government must assume the responsibility for those who lack insurance or are unable to pay. Employers must make available health insurance coverage that includes maternity and well baby care.

Since we know that WIC is an effective nutrition program for low income pregnant women and children who are at nutritional risk, we also ask for full funding of WIC for all eligible pregnant women and children.

Currently we know that the program remains limited. Only about half of the low income pregnant women, infants and children at nutritional risk who are eligible for WIC are now reached by the program. The other half are left out.

In my own state more than sixty percent of the eligible are not funded. Currently we also know that states are not informed about their allocations for the fiscal year until some three to four months into the year.

States cannot spend more than they will receive in funding; thus, they often make changes several times a year concerning which categories of eligible pregnant women, infants and children can be served and which are placed on waiting lists.

We need to maintain ongoing WIC benefits for pregnant women and children who are nutritional risk. We must not allow pregnant women and children to go on and off WIC and to be adversely affected by funding practices which can be corrected.

States need to know on a timely basis their annual appropriation levels so they can maintain a consistent level of services throughout the year.

Right now, due to fluctuations in funding, states have to freeze or reduce their programs for the first several months of the fiscal year, then allow expansion, then cut off again at the end of the year.

We also must work toward integrating WIC, Medicaid and maternal and child health services at the local level for pregnant women and children. For example, we should begin this coordination process at the Federal and state levels, as well. We must make coordinated and comprehensive services accessible for pregnant women and children.

As a first step, the Commission has called for mandatory referral and education between WIC and Medicaid programs.

In closing, I want to say that it is not inevitable that for forty thousand American infants the grave and the cradle be one and the same.

We must provide universal access to comprehensive prenatal and pediatric care for all pregnant women, infants and children. We must make the health and wellbeing of mothers and children a front row national priority.

Proper nutrition for all pregnant women and children is a key component of reaching our goal. For every day we allow pregnant

women or young children to go without adequate nutrition this country pays a tragically high price, not only in added health costs but in loss of lives.

It has been demonstrated over and over again that the WIC program is one of the most effective of all Federal programs in reducing infant low birth weight and premature birth. We have to find the political will and the societal commitment to provide those WIC benefits to all who are eligible.

I thank you again for allowing me to testify today. I applaud the Chairman and members of this Committee who have been champions of the WIC program. I am delighted to see that you are working forward to its reauthorization.

[The prepared statement of former Senator Lawton Chiles follows:]

National Commission to Prevent Infant Mortality
 Switzer Building • Room 2006
 330 C Street S.W. • Washington D.C. 20001
 202-472 1364

STATEMENT BY U.S. SENATOR LAWTON CHILES (RETIRED)
 CHAIRMAN

NATIONAL COMMISSION TO PREVENT INFANT MORTALITY

TO THE

U.S. HOUSE OF REPRESENTATIVES
 EDUCATION AND LABOR COMMITTEE
 ELEMENTARY, SECONDARY AND VOCATIONAL EDUCATION SUBCOMMITTEE

FEBRUARY 8, 1989

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, I WOULD LIKE TO THANK YOU FOR ALLOWING ME TO SHARE WITH YOU TODAY SOME OF MY THOUGHTS AND RECOMMENDATIONS FOR IMPROVING THE HEALTH AND WELL-BEING OF PREGNANT WOMEN AND CHILDREN IN THIS COUNTRY.

WITHOUT A HEALTHY BIRTH, THE FUTURE OF A CHILD IS AT RISK. THE POTENTIAL OF THE CHILD TO GROW BOTH PHYSICALLY AND MENTALLY IS AT JEOPARDY. WITHOUT A HEALTHY BIRTH, INFANTS HAVE THE CARDS STACKED AGAINST THEM RIGHT FROM THE START.

DURING THE LAST YEAR AND A HALF, AS CHAIRMAN OF THE NATIONAL COMMISSION TO PREVENT INFANT MORTALITY, I SPENT A LOT OF TIME LISTENING TO EXPERTS AND PARENTS, TRYING TO FIND OUT WHY 40,000 INFANTS IN THE U.S. DIE BEFORE THEIR FIRST BIRTHDAY.

AND WHAT WE, IN OUR COMMUNITIES, OUR STATES, AND OUR NATION, CAN DO TO REDUCE THE RATE OF INFANT MORTALITY AND IMPROVE THE CARE RECEIVED BY MOTHERS, INFANTS AND CHILDREN.

THE MAJOR CAUSE OF INFANT MORTALITY IS LOW BIRTHWEIGHT. TOO MANY BABIES ARE BORN TOO SOON. TOO MANY ARE BORN TOO SMALL. TOO MANY WOMEN NEVER GET PRENATAL CARE AND GUIDANCE DURING THEIR PREGNANCY. TOO MANY SMALL BABIES NEVER RECEIVE PROPER PEDIATRIC CARE.

WE KNOW THAT PRENATAL CARE WORKS. WE KNOW THAT WELL-BABY CARE WORKS. IT IS IMPORTANT TO THE HEALTH OF THE MOTHER AND INSURE THE HEALTH OF THE BABY.

WE KNOW THAT PRENATAL CARE IS COST EFFECTIVE, COSTING AS LITTLE AS \$400 COMPARED TO THE \$400,000 SOMETIMES NECESSARY TO KEEP ALIVE A LOW BIRTHWEIGHT BABY IN A NEONATAL INTENSIVE CARE UNIT.

WE KNOW THAT COMPREHENSIVE PRENATAL CARE AND EARLY PEDIATRIC CARE WORK AND ARE COST EFFECTIVE.

WE ALSO KNOW THAT PROPER NUTRITION AND NUTRITION EDUCATION ARE KEY COMPONENTS OF COMPREHENSIVE PRENATAL CARE.

AND THAT IS THE MAIN REASON WHY I AM HERE TODAY -- TO TALK TO YOU ABOUT THE IMPORTANCE OF THE WIC PROGRAM FOR MEETING THE COMMISSION'S GOAL OF PROVIDING PREVENTIVE HEALTH CARE SERVICES FOR PREGNANT WOMEN AND CHILDREN.

I AM A LONG TIME SUPPORTER OF THE WIC PROGRAM AND WELCOME THIS OPPORTUNITY TO EXTOL ITS VIRTUES AND RECOMMEND CHANGES TO INCREASE ITS EFFECTIVENESS AND ITS ABILITY TO SERVE EVERYONE THAT IS ELIGIBLE.

STUDIES HAVE SHOWN THAT INADEQUATE NUTRITION OF PREGNANT WOMEN MAY ACCOUNT FOR AS MUCH AS 55-65 PERCENT OF LOW BIRTHWEIGHT BABIES.

STUDIES ALSO SHOW THAT PARTICIPATION IN WIC FOR MORE THAN SIX MONTHS IS ASSOCIATED WITH INCREASES IN BIRTHWEIGHT AND A FULL TERM PREGNANCY. WE KNOW THAT WIC PARTICIPATION TENDS TO ENCOURAGE EARLIER AND MORE ADEQUATE PRENATAL CARE.

WIC ALSO HELPS AVERT MEDICAL CARE COSTS. A STUDY CONDUCTED AT THE HARVARD SCHOOL OF PUBLIC HEALTH FOUND THAT EACH DOLLAR SPENT IN THE PRENATAL COMPONENT OF WIC AVERTED THREE DOLLARS IN HOSPITAL COSTS.

IN AUGUST, THE COMMISSION RELEASED ITS REPORT, ENTITLED DEATH BEFORE LIFE: THE TRAGEDY OF INFANT MORTALITY TO THE PRESIDENT AND THE CONGRESS. ONE OF THE RECOMMENDATIONS IN THAT REPORT WAS TO PROVIDE UNIVERSAL ACCESS TO COMPREHENSIVE PRENATAL AND PEDIATRIC CARE FOR ALL MOTHERS AND INFANTS. GOVERNMENT MUST ASSUME RESPONSIBILITY FOR THOSE WHO LACK PRIVATE INSURANCE OR ARE UNABLE TO PAY. EMPLOYERS MUST MAKE AVAILABLE HEALTH INSURANCE COVERAGE THAT INCLUDES MATERNITY AND WELL-BABY CARE.

SINCE WE KNOW THAT WIC IS AN EFFECTIVE NUTRITION PROGRAM FOR LOW INCOME PREGNANT WOMEN AND CHILDREN WHO ARE AT NUTRITIONAL RISK, WE ALSO ASKED FOR FULL FUNDING OF WIC FOR ALL ELIGIBLE PREGNANT WOMEN AND CHILDREN.

CURRENTLY, THE WIC PROGRAM REMAINS LIMITED. ONLY ABOUT HALF OF THE LOW INCOME PREGNANT WOMEN, INFANTS, AND CHILDREN WHO ARE AT NUTRITIONAL RISK AND ARE ELIGIBLE FOR WIC ARE NOW REACHED BY THE PROGRAM. THE OTHER HALF ARE LEFT OUT.

IN MY OWN STATE OF FLORIDA MORE THAN 60 PERCENT OF ELIGIBLE WIC PARTICIPANTS ARE NOT SERVED.

I APPLAUD CURRENT STATE EFFORTS TO REDUCE INFANT FORMULA COSTS AND STRETCH WIC DOLLARS TO SERVE MORE CLIENTS. BUT THESE EFFORTS CAN ONLY ADD ABOUT 300,000 - 400,000 MORE PEOPLE TO THE PROGRAM -- LESS THAN 10 PERCENT OF THE UNSERVED ELIGIBLES.

WHILE FEDERAL FUNDING FOR THE PROGRAM HAS INCREASED -- FROM \$725 MILLION IN 1980 TO \$1.9 BILLION IN 1989 -- MORE NEEDS TO BE DONE TO REACH THOSE WHO ARE STILL IN NEED BUT REMAIN OUTSIDE THE PROGRAM. WE RECOMMEND THAT YOU SET A GOAL OF FULL FUNDING FOR WIC AND MOVE TOWARD THAT GOAL ON A SET TIMETABLE.

EVERY DAY THAT WE ALLOW PREGNANT WOMEN AND CHILDREN TO GO WITHOUT PROPER NUTRITION, THIS COUNTRY PAYS A TRAGICALLY HIGH PRICE, NOT ONLY IN ADDED HEALTH COSTS BUT IN LOST LIVES.

CURRENT FEDERAL FUNDING PRACTICES HAVE ALSO ADVERSELY AFFECTED PREGNANT WOMEN AND CHILDREN SERVED BY THE WIC PROGRAM.

CURRENTLY STATES GENERALLY ARE NOT INFORMED OF THEIR ALLOCATIONS FOR A FISCAL YEAR UNTIL 3 TO 4 MONTHS INTO THE YEAR. STATES CANNOT SPEND MORE THAN THEY WILL RECEIVE IN FUNDING; THUS, THEY OFTEN MAKE CHANGES SEVERAL TIMES A YEAR CONCERNING WHICH CATEGORIES OF ELIGIBLE PREGNANT WOMEN, INFANTS, AND CHILDREN CAN BE SERVED AND WHICH MUST BE PLACED ON WAITING LISTS.

WE MUST MAINTAIN ONGOING WIC BENEFITS FOR PREGNANT WOMEN AND CHILDREN WHO ARE AT NUTRITIONAL RISK. WE MUST NOT ALLOW PREGNANT WOMEN AND CHILDREN TO GO ON AND OFF WIC AND TO BE ADVERSELY AFFECTED BY FUNDING PRACTICES WHICH CAN BE CORRECTED.

STATES NEED TO KNOW, ON A TIMELY BASIS, THEIR ANNUAL APPROPRIATIONS LEVELS SO THEY CAN MAINTAIN A CONSISTENT LEVEL OF SERVICES THROUGHOUT THE YEAR. RIGHT NOW, DUE TO FLUCTUATIONS IN FUNDING, STATES MUST FREEZE OR REDUCE THEIR PROGRAMS FOR THE FIRST SEVERAL MONTHS OF A FISCAL YEAR, THEN ALLOW EXPANSION, AND THEN CUT OFF AGAIN AT THE END OF THE YEAR.

WE ALSO MUST WORK TOWARD INTEGRATING WIC, MEDICAID AND MATERNAL AND CHILD HEALTH SERVICES AT THE LOCAL LEVEL FOR PREGNANT WOMEN AND CHILDREN. BY EXAMPLE, WE SHOULD BEGIN THIS COORDINATION PROCESS AT THE FEDERAL AND STATE LEVELS AS WELL. WE MUST MAKE COORDINATED AND COMPREHENSIVE SERVICES ACCESSIBLE FOR PREGNANT WOMEN AND CHILDREN. AS A FIRST STEP, THE COMMISSION HAS CALLED FOR MANDATORY REFERRAL AND EDUCATION BETWEEN THE WIC AND MEDICAID PROGRAMS.

IN CLOSING I WANT TO SAY THAT IT IS NOT INEVITABLE THAT -- FOR 40,000 AMERICAN INFANTS -- THE GRAVE AND THE CRADLE BE ONE AND THE SAME. WE MUST PROVIDE UNIVERSAL ACCESS TO COMPREHENSIVE PRENATAL AND PEDIATRIC CARE FOR ALL PREGNANT WOMEN, INFANTS AND CHILDREN.

WE MUST MAKE THE HEALTH AND WELL-BEING OF MOTHER AND CHILDREN A FRONT ROW NATIONAL PRIORITY. PROPER NUTRITION FOR ALL PREGNANT WOMEN AND CHILDREN IS A KEY COMPONENT OF REACHING OUR GOAL. EVERYDAY THAT WE ALLOW PREGNANT WOMEN OR YOUNG CHILDREN TO GO WITHOUT ADEQUATE NUTRITION, THIS COUNTRY PAYS A TRAGICALLY HIGH PRICE, NOT ONLY IN ADDED HEALTH COSTS BUT LOST LIVES. IT HAS BEEN DEMONSTRATED TO ME OVER AND OVER AGAIN THAT THE WIC PROGRAM IS ONE OF THE MOST EFFECTIVE OF ALL FEDERAL PROGRAMS IN REDUCING INFANT LOW BIRTHWEIGHT AND PREMATURE BIRTHS. WE MUST FIND THE POLITICAL WILL AND SOCIETAL COMMITMENT TO PROVIDE WIC BENEFITS TO ALL WHO ARE ELIGIBLE.

Chairman HAWKINS. Thank you, Senator.

Mr. PERKINS. I will not ask any questions.

Chairman HAWKINS. The ranking member declines the opportunity to ask questions at this time. We will proceed, then, in terms of seniority. Mr. Hayes?

Mr. HAYES. I do not have any questions. I think the statement goes a long way regarding putting our money where our mouth is in funding this kind of program. That is my chief concern.

Chairman HAWKINS. Thank you for your statement.

It is my understanding that at the conclusion of the hearing additional slices of cake will be made available. The Chair puts in his request for a slice, and Mr. Hayes says that if any is left over it belongs to him. [Laughter]

Mr. HAYES. As it gets close to lunch time, Mr. Chairman, you may rest assured that I will get my share.

Chairman HAWKINS. Mr. Grandy?

Mr. GRANDY. Thank you, Mr. Chairman. Let me say at the outset that I will yield you such cake as you may consume of my share.

Senator CHILES, I have in front of me some figures regarding appropriated funds by states for the WIC program. If my math is right, we put in at the Federal level \$1.9 billion, and the total state participation is only about five percent of that.

Is there any way we can encourage the states to get more involved in this kind of program, to expand the universe? Have you got any thoughts on that from the Commission?

Mr. CHILES. We have been pretty good for the last eight years or so in encouraging the states to get more involved in all programs. I think we did that somewhat in WIC because—maybe it is not in just this program, but the states are having to pick up a large share.

As you know, basically, over the last period of time we sort of kept even with WIC, not being able to sort of increase it, to just try to keep it up with inflation. So I think you will find the states and counties are picking up the burden, whether it is through their state health services—a lot of the other monies that they are having to pick up, because we do not adequately fund this program.

As you reauthorize the program, if you think that the mix should be changed, that perhaps is an opportunity to look at that.

Mr. GRANDY. You obviously are aware that in the Reagan budget, although my figures indicate that WIC is not reduced, the child nutrition programs are looking at the annual budget cut of \$935 million.

What would that do to the program, as you see it?

Mr. CHILES. When we are only serving half now in WIC, certainly that would be a major, major cut. The good news is that those cuts have been there in every budget and the Congress has resisted them in every budget, so I do not—I have faith that that is going to happen again.

Also, the new president hopefully will speak somewhat to that tomorrow night.

Mr. GRANDY. I do not know that my colleagues on this side have heard from the president. I have just had some very preliminary discussions with some of the budget people downtown.

Although there is no firm commitment to maintain this money, they did acknowledge that this was hardly in the spirit of a "kinder and gentler administration," to delete \$935 million. So I await that decision, too.

Thank you, Mr. Chairman. That is all I have.

Chairman HAWKINS. Thank you. Ms. Lowey? I yield to you next in terms of seniority.

Mrs. LOWEY. Thank you.

Senator, throughout my campaign for Congress I constantly spoke about investing in programs that are more cost effective, and if we invest in them now we will save money in the long run.

You mentioned this in your statement. You also closed by saying that we must find the political will and societal commitment.

Now, you and I are committed, and I imagine everyone in this audience is committed, and we know the cost that society will have to bear if we do not invest in WIC now and in other prenatal programs.

How do we convince society? How do we develop that political will? Do you have any numbers as to the total political cost, as to the total financial cost if we do not invest in WIC now, over ten years, over twenty years? I would be interested in your advice on this.

Mr. CHILES. Well, I might tell you that we are spending \$2.5 billion a year now in the neonatal emergency costs and all of the related costs that way, so it is a bargain—and we are paying now—the country is paying now.

What we are trying to do is to shift some of the payment. That, again, is why maybe in the Congress we have to muster up a little more, those of us who are committed, more will—because this just makes sense, as stewards of the people's money, to sort of reverse part of this and make this investment on the front side.

Here we are dealing with a program where everybody who has looked at this program from the General Accounting Office to all of the studies—you do not hear anyone saying that this is a program that is full of fraud, full of waste.

We all know it is effective. Yet, we are funding it at about fifty percent.

Each year the Budget Committee has put more money in, to see that money kind of dribble out through the process. I think, when we look at that \$2.5 billion—now, that does not include—the other thing I think we need to look at, if we deliver that healthy baby to start with, then we are home free.

When they go to the neonatal care—and thank goodness we are saving a lot of babies now, but many of those are very severely mentally and physically handicapped—that is additional cost to society during their lifetime that we are going to pay for. So this is a bargain.

Mrs. LOWEY. I hope that we all will be able to convince the president and the Congress that this is a good investment.

Mr. CHILES. It is interesting, I think. We were breakfasting this morning and talking about this.

For a long time it was like some of us were just sort of hollering in the dark. Children we saw in this last campaign—they were talked about a lot more—I sense that there is some kind of momen-

tum where we are no longer at a dead stop now. It is the time to build on that.

This hearing--each of us going home to your constituencies—we have a caring country. If our people are informed, they will make this decision. They do care about children.

Mrs. LOWEY. Thank you.

Chairman HAWKINS. Mr. Fawell?

Mr. FAWELL. Senator, a portion of your comments struck as particularly interesting. You state that the Commission has called for mandatory referral and education between the WIC and Medicaid programs.

I am not as knowledgeable about practical workings of the programs but that strikes me as something we should not have to mandate.

Aren't the Medicaid people talking to the WIC people, and don't they know about each other?

Mr. CHILES. In some places, yes. Across the country we cannot say that. In many places a pregnant woman, maybe a teenager, many times not very sophisticated, has to go make four stops at four different places, complete four different sets of forms which are entirely different and which are literally almost designed to frustrate you, to see that you quit before you go through those forms.

What we are saying—and there are some studies that are going on—if you answer the questions for one of these, you should be answering the questions for all of these. Some years ago in the Congress we decided that if you were trying to get a loan, VA or FHA, we put their forms together and we said, "Quit running people around all of this."

We have not done that about our children yet. It is like we kind of think about them after the fact. We should be talking about one-stop service and we ought to be talking about the most simple kind of forms that we can have.

After a mother answers one set of questions, a pregnant woman, that ought to give the information to see whether she qualifies for food stamps, for maternal and child care, for WIC, for all of the services that she might be eligible for, without running her around this maze.

Mr. FAWELL. I would agree and I think everyone would agree with that.

Especially in instances of a Medicaid referral, it would seem to me that, out of basic humanness and kindness people would say, "Oh, by the way, there is the WIC program, I want to tell you about it."

I am not sure about mandating that coordination. We probably are not going to have just the one stop, which would be nice—

Mr. CHILES. We could start in that direction. Again, the Congress was responsible for creating these sort of as separate programs.

WIC is done in the U.S. Department of Agriculture. The other is under Labor and Human Resources, so they come out of different pots. The bureaucracy builds up. Each one wants their own turf. We sort of created it that way.

I think it could be changed.

Mr. FAWELL. We should do everything we can do to see that such a mandate is made very, very clear. Thank you for your testimony.

Chairman HAWKINS. Thank you. The Chair would like to say that generally it is our intention in this session to try to follow the recognition of members in the order in which they appear in the hearing.

Sometimes we skip over more senior members as a result thereof, so I just want you to know what system we seem to be following.

I think that if there is no grave objection we will continue to do so.

On that basis, the next person to be recognized is Mr. Rahall. Mr. Rahall?

Mr. RAHALL. Thank you, Mr. Chairman. I have no specific questions, just general observations to Senator Chiles.

First, your testimony has hit the point very precisely and very expertly today in demonstrating the problems that states have in the administration of the WIC program, not having the certainty of funding levels, et cetera.

You are to be commended for your work as a private citizen. This follows your public career in which, as former Chairman of the Senate Budget Committee, you worked very effectively in helping to make sure the WIC program was properly funded under difficult conditions.

I can also recall your first run for the United States Senate. You walked across the state of Florida—"Walking Lawton," I believe, was your campaign slogan.

You are to be commended for continuing in your life after retiring from the Senate with your work on behalf of pregnant women and child nutrition programs in order to insure that many others, who perhaps are less fortunate, can have that healthy start in life that you obviously have had throughout your career. So I join in commending you for your excellent testimony today.

Mr. CHILES. Thank you.

Chairman HAWKINS. Thank you. Mr. Bartlett?

Mr. BARTLETT. Thank you, Mr. Chairman.

Mr. Chiles, I am most complimentary of your concept of a single eligibility.

It would be my hope, both in your body and in this Committee, that we could set as our goal a single eligibility form so that a mother who is eligible for a means tested program in any other program automatically becomes eligible for WIC.

It seems to me to be a rather basic step that we could take.

It seems to me that it is an achievable goal in your body as well as this one.

My second question is, do you detect a difficulty in some states with the ability of working mothers to access the system in terms of office hours or hours in which the WIC programs are open?

Like you, I typically dislike Federal mandates on the state and local governments. However, in terms of the availability of open hours during nontraditional working days, is that an improvement that could be made in this bill, and does your body plan to look at this?

Mr. CHILES. I know that is a problem in states. I do not know that I am the most qualified person to speak to that; however, I know that that is a problem.

Mr. BARTLETT. I think that that is an area that this Committee will explore.

My last question is, on the House side we will be considering the reauthorization of other programs simultaneously with WIC.

WIC is well recognized as the premier nutrition program for low income families with children. Sometimes we take other programs that are less premier and put them into the same legislation.

I am wondering if you would have a comment in terms of relative priorities compared to WIC of the other programs in this bill—the Summer Feeding Program, the Nutrition, Education and Training Program, the Commodity Distribution and State Administrative Expense Authorities. Will the Senate be marking those up simultaneously with WIC?

Mr. CHILES. I cannot tell you what the Senate will be doing. I was not on the Authorizing Committee. I am now not in the Senate, so I do not know exactly how they will be handling that.

I think that a number of those other programs are also very important—the Nutrition, Education and Summer Feeding and some of those supplemental programs.

I think it is kind of interesting, when you really think about it—if you look at WIC, which does enjoy broad support—I cannot remember anybody in our body standing up and sort of attacking the WIC program on the basis that there is a lot of fraud or slack or anything in that program. Everybody always speaks very strongly.

Yet, at the same time, when you really look at it, it is not an entitlement program. It is not exempt from Gramm-Rudman-Hollings. It is not exempt from sort of appropriation across-the-board cuts that in the bodies we periodically had to make.

So here is a program that stands out as so very effective, and yet somehow as compared to a lot of other programs—low income programs—that we had exempted from Gramm-Rudman-Hollings and we have exempted from these across-the-board cuts, that we made mandatory entitlements—here is a program that just—each time the Senate Budget Committee and I think the House Budget Committee, too—I wish Mr. Goodling were here, he could probably say.

Basically, the mark in the Budget Committee, which is both bodies, after we have had a chance to go to conference, has increased WIC about twenty percent per year in number. And that means that the body in both houses has agreed to that.

However, when that number has gone out and been cross-walked to the Appropriation Committee or into the Agriculture Committee out of there, somehow other programs come in and we see WIC sort of level funded to take care of inflation, but we have not seen that increase.

Now, in the last three years that I can recall in the Senate Budget Committee and I think in the entire body of both houses, we had a twenty percent increase each year. If you look and see what happened at the end of the process, sort of level funding. That, I think, is sort of tragic, too.

Mr. BARTLETT. If we could determine ways to transfer some of the funds from some of the other programs into WIC, do you count

WIC at a higher level than the other programs that I have mentioned, or other programs that are oftentimes——

Mr. CHILES. I do not want to get into programs that you mentioned and taking from here. I think if we could see when the body says we ought to increase these programs—we ought to get to full funding.

Let's say it is going to take us four or five years to get there. The increment that we put in ought to stay. We ought to be able to build up.

I think all of us know that we cannot go from fifty percent to one hundred percent in one year. However, we can do it over a few years, three to five years. We ought to be trying to see that we do that.

Mr. BARTLETT. Leaving aside the issue of cuts, your testimony is that you would advocate putting our emphasis on increases on WIC, is that the gist of your testimony?

Mr. CHILES. I think that increases could go there better, perhaps, than most other places, yes.

Mr. BARTLETT. Thank you.

Chairman HAWKINS. Thank you. Mr. Poshard?

Mr. POSHARD. Thank you, Mr. Chairman and ladies and gentlemen of the Committee.

I do not actually have but one question, I guess. I want to applaud your efforts, Senator Chiles, for the work that you have done in this area. It is much needed.

I know that the history of this program has shown that there is nothing more fundamental to the intellectual and academic performance of children in the classroom than a good nutritional base at home.

My district in the southernmost part of Illinois has the highest teenage pregnancy rate in the state of Illinois. I have seen the need for this program, and in fact the effectiveness of the program in working with our children. I am just hopeful that it will continue along those lines.

The irony, of course, in my district at least, is that this is one of the most effective programs. The history of the program has proven that. And yet it is the program with the longest waiting list for people waiting to get the assistance.

I am just wondering, and forgive my ignorance, Senator Chiles and members of the Committee, but what would full funding of the program involve? How much money are we actually talking about above that which we are already appropriating for the program?

Mr. CHILES. I think we would be talking about—we are at about \$1.9 billion a year now, so we would be talking about another \$2 billion.

Mr. POSHARD. I am sorry, sir?

Mr. CHILES. I think it is about \$1.9 billion a year now, so we would be talking about an additional \$2 billion to full fund the program.

Mr. POSHARD. Well, I would certainly hope that we could realign our priorities in this body and at least begin working toward timeliness in achieving that figure. Thank you.

Chairman HAWKINS. Mr. Gunderson?

Mr. GUNDERSON. Thank you, Mr. Chairman. Senator, the real reason I came over here is that I thought someone else should commend you on your MacNeil-Lehrer appearance last night, and being that none of my colleagues have done that I want to extend our appreciation for trying to put some reasonableness on that irrational issue.

That being said, I have to share with everyone in this room that, believe it or not, there are still some people in this country who run small, rural general stores, my mother being one of them.

Every time the WIC program comes up I am reminded that she is not afraid to complain about abuse in the food stamp program, and at the same time she is not at all hesitant to extol the virtues of the WIC program. Regardless of how all of you feel, I am not about to take on my mother.

I would, though, Senator, have a question. That is, how do we better integrate WIC, TEFA, those type of programs—I mean, part of the reality, as you well know, is that we are not going to have the dollars that I think anybody in this room would like to put into this program.

It seems to me that some kind of better coordination between the TEFA, the supplemental programs that exist—I would venture to say that one could pursue a worthy debate about whether or not some subsidies of higher income children in the school lunch could be modified, transferring that money to WIC. I know that that will not meet with the approval of a different group that will be in here in the near future on the school lunch program.

However, it seems to me, in terms of the overall goal, that there is no program that has a better goal than WIC. How do we enhance its effectiveness within the limited resources? Do you have any suggestions there for us?

Mr. CHILES. It is just a very difficult issue. I think that is something that the Committee will have to look at.

Some people look at the gamut of programs we have and say that we ought to start over again, that we have created a patchwork of this and that.

Others say, "Why do you want to start over again with a very effective program like WIC, which we know is effective, and its delivery is effective? Let's find out how we can fix some of the others and how we can build in."

That kind of makes a little sense, maybe, that you do not scrap one that you know is very effective and that maybe you use it as a model.

However, obviously, we need to do something, because we do have this patchwork of programs that are out there.

Mr. Chairman, I want to just say—I did misspeak a minute ago. I said that WIC was subject to Gramm-Rudman-Hollings, and I think it is exempt. So I probably misspoke a few other times, but I have been caught on that one.

Mr. GUNDERSON. Are there any—and perhaps this is something that someone else will want to submit to the testimony later—are there any particular commodities that we ought to be increasing in terms of the WIC program?

Mr. CHILES. I think others more qualified than me could speak better to that.

Mr. GUNDERSON. All right. Thank you, sir.

Mr. CHILES. Mr. Chairman, I am informed that I need to—I am going to try to visit another committee today to speak on similar subjects, and I am told that if I am going to do that I need to kind of—

Chairman HAWKINS. May I suggest to the members who have not been heard from that if you agree to be the first ones to be called on in connection with the three other witnesses, we can excuse this witness as a matter of courtesy.

Is there anyone who disagrees? If not, then, Senator, we are so appreciative of what you have done for this program that we want to accommodate you.

We would rather share you with someone else rather than to continue to question you at this time.

Thank you again for appearing before this Committee.

Mr. CHILES. I thank the Chairman and the Committee for its kindness, and I again congratulate you on the work that you all are doing in this area.

Chairman HAWKINS. Thank you. We will be calling on you again in the future.

Chairman HAWKINS. The next witnesses will be on a panel that will consist of Dr. Donald W. Schiff, President of the American Academy of Pediatrics; Ms. Djamillah Samad; and Mr. Loren Bell, President of the National Association of WIC Directors.

May I express the appreciation of the Committee to the witnesses who are appearing before you and apologize for such a brief introduction, but we are certainly delighted to have you.

We will hear from them in that order, beginning with Dr. Schiff.

STATEMENTS OF DR. DONALD W. SCHIFF, PRESIDENT OF THE AMERICAN ACADEMY OF PEDIATRICS; MS. DJAMILLAH SAMAD, WIC ASSOCIATION OF NEW YORK STATE; AND MR. LOREN BELL, PRESIDENT OF THE NATIONAL ASSOCIATION OF WIC DIRECTORS

Dr. SCHIFF. Thank you, Mr. Chairman. I am delighted to be here. I want to thank you and the members of the Subcommittee.

My name is Dr. Don Schiff. I am Professor of Pediatrics at the University of Colorado Medical Center in Denver, and I am the President of the American Academy of Pediatrics.

The Academy is an organization of 37,000 pediatricians specializing in the care of infants, children and adolescents.

We are particularly pleased to testify on this very special day in support of the WIC program, to advocate an increased authorization level and to recommend higher appropriations in order to serve more eligible participants.

The Academy's support for WIC is based upon three especially excellent reasons.

First of all, WIC improves pregnancy outcomes, including fewer low birth weight infants.

Second, the WIC program targets spending for health promotion and prevention of nutritional deficiencies.

Third, WIC provides an opportunity for infants, children and pregnant women to access an ongoing medical care system.

The Special Supplemental Food Program for Women, Infants and Children is a Federally funded nutrition assistance program. It is designed to provide supplemental foods, nutrition education and access to health services to eligible low income participants.

The WIC program is a treatment program for infants identified as nutritionally deficient, but it should also be a preventive program for maintaining the health and nutritional status of at-risk participants.

The underlying premise of the WIC program, for which there is both empirical and anecdotal evidence, is that substantial numbers of pregnant, nursing and postpartum women, infants and children from low income families are at risk because of inadequate nutrition, inadequate health care or both.

When prenatal care is not instituted until late in pregnancy, the rate of low birth weight infants and the rate of infant mortality increases.

You may remember that the United States ranks nineteenth among the industrialized nations in infant mortality.

While some aspects of the infant and neonatal mortality puzzle remain unsolved, the wisdom of providing prenatal care and feeding pregnant women and infants is without question.

Data from the Department of Agriculture's 1986 evaluation of the impact of WIC demonstrated reductions in late fetal deaths and premature births, increases in the head size of infants born to WIC mothers, and improved cognitive development among children participating in the program.

Not only is the program effective, but it also saves money. The average cost of caring for a child weighing less than one and two-thirds pounds, requiring more than twenty-one days of mechanical ventilation, as reported in a survey from Children's Hospitals in 1987, was that it cost \$160,000.00 per case, and in some of the more severe cases the cost can go up above that to at least \$190 thousand.

We can compare that with the average monthly cost of a WIC client, which is approximately \$42.00 per month.

WIC can also be the gateway to comprehensive prenatal and well child care for many women, infants and children. The Academy has strongly emphasized the advantage of a regular source of care and is an active supporter of Medicaid revisions that have improved eligibility for low income patients.

For many WIC families the process of obtaining a regular source of care could be facilitated by direct links between the WIC and Medicaid programs to ease registration and referrals.

As pediatricians we know that early identification of health needs is both compassionate and cost effective. Undetected and untreated health and nutrition problems in young children only worsen and further compromise optimal growth and development.

However, the WIC program is not available to all those who qualify to receive services. Because WIC has to operate within Congressional funding levels, only about fifty percent of those eligible to participate are receiving services.

In the fall of 1987 the Center for Disease Control published results of a major study which demonstrated a sharp drop in anemia

among low income children in the WIC program, and this further validates its effectiveness.

The Academy believes that the WIC program should be expanded to serve as many eligible individuals as possible. The following action steps are recommended to accomplish this goal.

First, authorization and appropriation levels should be increased to insure a steady growth in funding so that more participants can be enrolled.

Second, funds should be allocated for strategies to aggressively promote breast feeding among WIC participants. Such strategies should be designed to reduce the barriers to breast feeding and increase social support for breast feeding.

Third, due to the uncertainty of solid food intake during the second half of the first year of life, iron-fortified formula should be provided to WIC infants whose mothers do not breast feed through the first year of life.

Fourth, the Academy favors the infant formula purchase system that returns the maximum savings to the program while maintaining the high quality of food or formula.

Fifth, the Academy strongly recommends the referral of WIC recipients to a public or private source of medical care that can provide continuing comprehensive care, including immunizations, assessment of growth and development and treatment of acute and chronic illnesses.

Sixth, the Academy recommends expansion of the research component of the WIC program to document its effectiveness in the treatment and prevention of nutritional deficiencies in infants and children.

By acting now, we can reverse the unacceptable and unnecessary rate of infant morbidity and mortality and provide future generations with the healthy start which they deserve.

In these days of budget cuts and cost containment, the expansion of WIC is a smart move, both for the nation's economy and for its needy women and children.

I thank you for allowing us to give this testimony.

[The prepared statement of Dr. Donald W. Schiff follows:]



American Academy of Pediatrics



T E S T I M O N Y

BEFORE THE

SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND VOCATIONAL
EDUCATION

OF THE

HOUSE COMMITTEE ON EDUCATION AND LABOR

ON

SUPPLEMENTAL FEEDING PROGRAM FOR

WOMEN, INFANTS AND CHILDREN

Presented by

DONALD W. SCHIFF, M.D., F.A.A.P.

February 8, 1989

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Mr. Chairman, members of the Subcommittee, good morning. I am Dr. Don Schiff, professor of pediatrics at University of Colorado Medical Center and president of the American Academy of Pediatrics. The Academy, an organization of 37,000 pediatricians specializing in the care infants, children and adolescents, is pleased to testify in support of the WIC program, to advocate an increased authorization level, and to recommend higher appropriations in order to serve more eligible participants.

The Academy's support for WIC is based on three reasons:

- * WIC improves pregnancy outcomes and may be linked to enhanced cognitive skills in children.
- * The WIC program targets spending for health promotion and prevention of nutritional deficiencies.
- * WIC provides an opportunity for infants, children and pregnant women to access an ongoing medical care system.

The Special Supplemental Food Program for Women, Infants, and Children (WIC) is a federally funded nutrition assistance program. It is designed to provide supplemental foods, nutrition education, and access to health services to eligible, low income participants. The WIC program is a treatment program for infants identified as nutritionally deficient, but it should also be a preventive program for maintaining the health and nutritional status of at risk participants.

The underlying premise of the WIC program, for which there is both empirical and anecdotal evidence, is that substantial numbers of pregnant, nursing and postpartum women, infants and children from low income families are at risk because of inadequate nutrition, inadequate health care, or both. Over 10 million children have no medical insurance. One out of four women do not seek care during the first trimester of pregnancy. In six percent of all births in this country, there is either late prenatal care or none at all. When prenatal care is not instituted until late in pregnancy, the rate of low birth weight infants and the rate of infant mortality increases. The U.S. ranks 18th among industrialized nations in infant mortality.

While some aspects of the infant and neonatal mortality puzzle remain unsolved, the wisdom of providing prenatal care and feeding pregnant women and infants is without question.

Data from the Department of Agriculture's 1986 evaluation of the impact of WIC demonstrated reductions in late fetal deaths and premature births, increases in the head size of infants born to WIC mothers, increased use of prenatal care and improved cognitive development among children.

participating in the program.

Not only is the program effective, but it also saves money. The average cost of caring for a child weighing less than 1 2/3 pounds, requiring more than 21 days of mechanical ventilation, as reported in a 1987 survey of children's hospitals, is \$160,000 per case. The average cost of the most severe of these cases is \$190,000. Compare this with the average monthly cost of \$42.00 per WIC client.

WIC can be the gateway to comprehensive prenatal and well child care for many women, infants and children. The Academy has strongly emphasized the advantage of a regular source of care and is an active supporter of Medicaid revisions that have improved eligibility for low income patients. We are currently developing a comprehensive proposal aimed at guaranteeing access for all children to a regular source of health care, that is, a medical home. For many WIC families, the process of obtaining a regular source of care could be facilitated by direct links between the WIC and Medicaid programs, such as joint registration and referrals.

As pediatricians, we know that early identification of health needs is both compassionate and cost effective. Undetected and untreated health and nutrition problems in young children only worsen and further compromise optimal growth and development.

The WIC program is a lifeline for low income, nutritionally at risk women, infants and children and represents what might be for some, the only contact they have with the health care system.

However, the WIC program is not available to all those who qualify to receive services. Because WIC has to operate within congressional funding levels, only about 50% of those eligible to participate are receiving services. In the fall of 1987, the Centers for Disease Control published results of a major study which demonstrated a sharp drop in anemia among low income children in the WIC program, which further validates its effectiveness. These results prompted the New England Journal of Medicine to publish an editorial concluding that funding for WIC has never been adequate and that these data should provide momentum to push for increased funding.

The Academy believes that the WIC program should be expanded to serve as many eligible individuals as possible.

The following action steps are recommended to accomplish this goal:

1. Authorization and appropriation levels should be increased to ensure a steady growth in funding so

that more participants can be enrolled.

2. Funds should be allocated for strategies to aggressively promote breast feeding among WIC recipients. Such strategies should be designed to reduce barriers and increase social support for breastfeeding.
3. Due the uncertainty of solid food intake during the second half of the first year of life, iron fortified formula should be provided to WIC infants whose mothers do not breast feed through the first year of life.
4. The Academy favors the infant formula purchase system that returns maximum savings to the program while maintaining the quality of the food or formula.
5. The Academy strongly recommends referral of WIC recipients to a public or private source of medical care that can provide continuing comprehensive care, including immunizations, assessment of growth and development, and treatment of acute and chronic illnesses.
6. The Academy recommends expansion of the research component of the WIC program to document its effectiveness in the treatment and prevention of nutritional deficiencies in infants and children.

By acting now, we can reverse the unacceptable and unnecessary rate of infant morbidity and mortality and provide future generations with the healthy start which they deserve. In these days of budget cuts and cost containment, the expansion of WIC is a smart move, both for the nation's economy and for its needy women and children.

Chairman HAWKINS. Thank you, Dr. Schiff. The next witness is Ms. Samad.

Ms. SAMAD. Mr. Chairman, thank you for allowing me to address this Committee on behalf of WIC.

I am here today representing the WIC consumers across the country. I currently work for the WIC Association of New York State as Coordinator for its Nutrition Outreach Project in Harlem and South Bronx.

The WIC Association is an advocacy organization that provides information, support and training to the WIC program in New York State. It is the first state association in this country to hire staff members.

In the complete testimony that I submitted to the Committee, with several personal stories of WIC families, I encouraged the Committee to read them.

Until December 1988, my daughter Moriah, who is three years old, was a WIC child. Mine is a second marriage. Both my husband and I have children from previous marriages. We were both working when I was pregnant in 1985.

I used a private physician in New York City and had no knowledge of WIC during my pregnancy.

Due to sudden circumstances I delivered my baby in a hospital other than where I had planned. Upon discharge, I was handed a WIC medical referral form, and through receiving WIC I also received information of other programs for which my family was qualified and we were able to compare WIC to food stamps and Medicaid.

WIC definitely follows a plan that provides assistance to women, infants and children and also assists in helping the family to pull its life together and in many areas to keep it healthy, both mentally and physically.

It was my WIC coordinator who asked me to become involved in WIC's statewide issues and encouraged me to become certified in breast feeding management.

While receiving WIC I conducted monthly breast feeding workshops in three municipal hospitals and became a very valuable and sought-after resource for breast feeding promotion to minority women.

I held in-service training sessions for hospital professionals, collected research for the New York City Task Force on breast feeding and documented specific barriers to breast feeding among less affluent women in New York City. I was a WIC mom.

The women, infants and children of New York State are as diverse as our state. They range from the homeless and battered women to college educated women like myself. They are also representative of those families around the country who gain from WIC benefits.

The thread that binds us all together is nutritional and financial eligibility. WIC has helped to keep us healthier pregnant and breast feeding women. It has helped to provide formula and taught us why we should not over dilute it to make it last longer.

It has provided milk, eggs and cheese and has given us suggestions on preparation. It has shown us why some cereals are better than others.

WIC moms know that real juice provides vitamins that flavored drinks and sodas do not. WIC kids whose families are financially stressed can get peanut butter and thereby have a source of protein that they might not otherwise have.

I am in a unique position. I have been a recipient of both WIC and food stamps. I know the differences between the two programs. I know why WIC is more dear to the families who receive it. I am able to make that comparison and pass it on to you.

WIC clinics do not and should not be forced to send a woman home with just checks in her hand. At the WIC site a woman receives nutrition education along with her check. Because of health recertification she and her child receive screening for common diseases and potentially damaging illnesses such as lead poisoning.

She receives health-related information on AIDS, drug and alcohol abuse. She receives referrals to other local Federally funded services. She has access to recipes, parenting classes, car seat loaner programs, school and job referrals.

She also has the opportunity to go to a place where she can take her child and feel good about seeking help. WIC program staff have been referred to as family members. They have been approachable.

The nutritionists have provided support to stressed mothers. They have encouraged women to breast feed and have thereby empowered these women with a sense of accomplishment. A breast feeding mother bonds with her infant faster and has less potential for abusing her child.

WIC is one of the few public assistance programs that offers specific benefits and obtains tangible results. The health and wellbeing of the children of the United States is being severely compromised.

The increasing number of children living in poverty, the increasing cost of housing and health care and the effects of drug abuse and illiteracy are all factors that make daily life difficult for low income families.

The WIC program is a nutritional aid that has helped to improve the quality of life and availability of opportunities for the less fortunate in this country. It is a program that we and our children cannot do without.

In a report prepared by the Gordon S. Black Corporation entitled "Participant Perceptions and Experiences with WIC in New York State: A Report of Focus Group Research," WIC participants from across the state were brought together in their geographic regions to discuss personal experiences with the program.

This report was prepared for the New York State Department of Health and was released in June 1988. The report showed that forty-nine percent of those surveyed get their health information from WIC nutritionists.

The participants of the focus group went on to discuss the positive aspects of WIC. Specifically, they discussed that it helps them financially, provides good food and acts as an important source for nutritional advice.

As one woman stated, "WIC is an answer when you don't have one."

The report of the focus group clearly showed that WIC is an invaluable resource for low income women trying to provide quality meals and nutritional direction for their families.

It also clearly showed some of the barriers to participation that WIC consumers have had to face. Several of the problems that the participants mentioned were due to inadequate staffing.

One participant was given an appointment the day she left the hospital with her baby. The appointment was scheduled for two months later. She asked the WIC officer to give her an appointment sooner, since she did not have a job and had no money to feed her child. She was told that there were no openings.

Another problem was the actual waiting time within the Clinic. All of the participants agreed that waiting times could be as long as three or four hours and sometimes even a full day.

All participants agreed, however, agreed that the treatment they received from the nutritionists was good except when she was rushed to get to the next person in line and therefore had little time to answer questions.

Participants who had been in WIC for more than a year reported that these problems have become increasingly worse during the past year.

Clinic hours of operation also act as a barrier to participation. WIC consumers urge that office hours be expanded to include Saturdays and evenings.

One group of participants had the following suggestions: to hire WIC staff who have more formal education and are better informed about WIC, to expand the WIC staff and thereby enable better service, to hold clinics in larger space and to devise a better method for scheduling appointments, to hire more nutritionists to improve the quality of interaction and to handle the volume of appointments for a single day.

Among the recommendations of the facilitators were the following conclusions: better organization at the WIC site, which might include nutrition classes conducted while participants wait for checks; better scheduling of appointments for check pick-up; more staff and more hours to handle participation load; and the standardization of policy implementation throughout each state. For example, all sites should offer free blood work and require nutrition classes.

A Bronx woman summed it up when she said, "WIC is a fantastic program that is here to help us. It not only provides financial help, but the nutritional information is extremely useful. It is one of the best Federal programs."

Thank you for allowing me to present this testimony before you today. I hope that what I have presented is useful in understanding the effects and benefits of the WIC program.

On behalf of WIC consumers, I thank you for your interest in the program and urge you to investigate ways of expanding WIC services to more of the eligible population.

[The prepared statement of Djamillah Samad follows:]



THE WIC ASSOCIATION OF NEW YORK STATE, INC.

A not-for-profit research and advocacy organization for the
Special Supplemental Food Program for Women, Infants and Children

TESTIMONY OF THE WIC ASSOCIATION
OF NEW YORK STATE, INC.

BY

DJAMILLAH SAMAD

AT

THE HEARING OF THE COMMITTEE ON
EDUCATION AND LABOR

FEBRUARY 8, 1989

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Compiled by:

Allissandra D'Aquanni

Executive Director, WIC Assoc. of NYS

Djamillah Samad

Nutrition Outreach Coordinator, WIC Assoc.
of NYS

Thank you for allowing me the opportunity to address this committee on behalf of WIC. My name is Djamillah Samad. I am here today representing WIC consumers across the country. I currently work for the WIC Association of New York State as coordinator for its Nutrition Outreach Project in Harlem and the South Bronx. The WIC Association is an advocacy organization that provides information, support and training to the WIC Program in New York State. It is the first state association in the country to hire staff members.

I would like to begin today by relating the personal stories of some of the participants of WIC in New York State.

Laurie Buzzard lives in Friendship, New York, a rural community near Buffalo. She has received WIC for 3½ years. Jim, Laurie's husband, is a heavy equipment operator for Allegany County. Laurie works 20 hours per week at a shelter for battered women. Their combined income is about \$16,00 per year. Laurie has begun to work full-time outside the home and now does not meet the WIC Income Eligibility Guidelines. While participating in the WIC program, she and her two children received as much as \$80 to \$100 per month for food supplements. Laurie says that WIC helped to supplement her family's food monies. Living in her rural community, budgets are tight, salaries are low. These factors created a feeling of low self-esteem because she was unable to adequately provide for her children. If not for WIC, the nutrition of her family would truly be compromised.

In Clinton County, close to the Montreal Canadian border, is the family of Susan Trombley, Susan is a La Leche League Leader. She, along with a friend who is also a WIC mom, holds breastfeeding support

groups. Her husband Steven is a corrections officer for New York State. They have three WIC children that have thrived because of WIC. Their income has to stretched to support a family of five. Although her food budget is very limited, she does not have to skimp on the nutritious foods. Susan can buy the staples her kids need.

Carol Park, another WIC mother, lives in Roscoe which is centrally located in New York State. Carol's husband is a teacher. In addition to her own 5 children, three who have received WIC since 1978, the Parks have had two foster children who also have received WIC, and over the years they also have opened their doors to three foreign exchange students. Carol currently is a full-time university student. She has very clear ideas on how WIC has benefited her family. Though the Parks do not have a typical ^{WIC} profile in education or background, \$28,000 annually does not go far to feed 7 people, and the Parks have often found themselves in an economic crunch. According to Carol, WIC has allowed for an enhancement to her life beyond her food supplement. She has met women from the full spectrum of her community. The nutrition education has taught her how to feed her family better and she has taken that information right back to the broader community. WIC also has aided Carol in her life-goal directions, she has chosen a career in nutrition that she says, relates directly to the knowledge and support she has gained at her WIC clinic. Carol's youngest son Daniel, is 3. He receives about \$39 per month in WIC benefits. For him that represents 21 quarts of milk, 1 pound of cheese, 2½ dozen of eggs, 276 ounces of juice, 24 ounces of cereal and 18 ounces of peanut butter. Daniel is a WIC child.

In New York City, Leo is a breast-fed baby. Leo's dad is an

immigrant Japanese actor. Leo's mom Jeanine, is a free-lance photographer. Due to the nature of his parent's professions and their fluctuating income, Leo and his mom qualify for WIC. Receiving WIC does not jeopardize Leo's father's immigrant status and helps to make available the foods a breast-feeding mother and her infant require. Leo's mom says Leo and other WIC babies will be an asset to society because of better nutrition. They will be more physically and mentally equipped to handle life because of the start WIC has provided. Jeanine receives 22 quarts of milk, 2 pounds of cheese, 36 ounces of cereal, 276 ounces of juice, 2½ dozens of eggs and 1 pound of beans per month from WIC. Jeanine is a breast-feeding WIC Woman. Leo receives 24 ounces of infant cereal and 15 bottles of infant juice. Leo is a WIC infant.

Lavern Holley works for the WIC program in the Bronx. She has worked for WIC for 5 years. She has an 18 year old son and a 1 year old son, Brian. Lavern is a single working mother. Brian receives 31 cans of infant formula, 24 ounces of infant cereal and fifteen 4.2 ounce bottles of infant juice. Brian is a WIC infant.

Michelle McKinney called WIC just last week. She is 14 weeks pregnant. she has another child who is in school. Nutritionally, Michelle's pregnancy qualifies her for WIC. She will receive about the same food package as Jeanine does. Michelle is a WIC prenatal woman.

Until December of 1988 my daughter Moriah, was a WIC child. Mine is a second marriage. Both my husband and I have children from previous marriages. We both were working when I was pregnant in 1985. I used a private physician in New York City and had no knowledge of WIC during my pregnancy. Due to sudden circumstances I delivered my

baby in a hospital other than where I planned. Upon discharge I was handed a WIC medical referral form. Through receiving WIC, I also received information on other programs for which my family was qualified. We were able to compare WIC to Food Stamps, HEAP and Medicaid. WIC definitely follows a plan that provides assistance to women, infants and children and also assists in helping a family to pull its life together in many areas to keep it healthy, mentally and physically. It was my WIC coordinator who asked me to become involved in WIC issues statewide and encouraged me to become certified in breastfeeding management. While receiving WIC I conducted monthly breastfeeding support workshops in three municipal hospitals and became a very valuable and sought-after resource for breastfeeding promotion to minority women. I held in-service training sessions for hospital professionals; collected research for the New York City Taskforce on Breastfeeding and documented specific barriers to breastfeeding among less-affluent women. I was a WIC Mom.

The Women, Infants and Children of New York State are as diverse as our state. They are also representative of those families around the country who gain from WIC benefits. The thread that binds us all together is nutritional and financial eligibility. WIC has helped to keep us healthier pregnant and breastfeeding women; it has helped to provide formula and taught us why we should not over dilute it to make it last longer; it has provided milk, eggs, and cheese; and given us suggestions on preparation; it has shown us why some cereals are better than others. WIC Moms know that real juice provides vitamins that flavored drinks and sodas do not. WIC kids whose families are financially stressed can get peanut butter and thereby have a real

source of protein that they might not otherwise have.

I am in a unique position. I have been a participant of both WIC and Food Stamps. I know the differences between the two programs. I know why WIC is more dear to the families that receive it, and I am able to make that comparison and pass it on to you. WIC clinics do not, and should not be forced to, send a woman home with just WIC checks in her hand. At the WIC site, a woman receives nutrition education with her checks. Because of health recertification, she and her child receive screening for common diseases and potentially damaging illnesses such as lead poisoning. She receives health related information on AIDS, drug and alcohol abuse; she receives referrals to other local and federally funded services. She has access to recipes, parenting classes, car-seat loaner programs; job and school referrals. She also has the opportunity to go to a place where she can take her child and feel good about seeking help. WIC program staffs have been referred to as "family members", they have been approachable. The nutritionists have provided support to stressed mothers. They have encouraged women to breastfeed and thereby empowered these women with a sense of accomplishment. Abreastfeeding mother bonds with her infant faster and has less potential for abusing her child.

WIC is one of the few public assistance programs that offers specific benefits and obtains tangible results.

Dr. David Rush did an analysis of the WIC program, published in January 1986, the results of which were very encouraging.

The study clearly shows that:

- * WIC mothers had significantly fewer low birth-weight babies

than non-participants.

* Low weight gain in early pregnancy was reversed by enrollment in the WIC program.

* Among women who had a history of giving birth to low birth-weight infants, those who received WIC benefits had a lower rate of pre-term babies than those who did not receive WIC benefits.

* Participation in the WIC Program was associated with significantly lower rate of late fetal deaths.

* Birth-weight was significantly higher for infants of women receiving WIC benefits.

* Children enrolled in the WIC Program were more likely to have a regular source of medical care and were better immunized.

* Children that began WIC benefits inutero had significantly better vocabulary scores than non-WIC children.

* Children who were first enrolled after 1 year of age had better digit memory than non-WIC children.

The health and well-being of the women and children of the United States is being severely compromised. The increasing number of children living in poverty, the increasing costs of housing and health-care, and the effects of drug abuse and illiteracy are all factors that make daily life difficult for low-income families.

The WIC Program is a nutritional aid that has helped to improve the quality of life and availability of opportunities for the less-fortunate of this country. It is a program that we and our children cannot do without.

In a report prepared by the Gordon S. Black Corporation entitled "Participant Perceptions and Experiences with WIC in New York State: A

Report of Focus Group Research", WIC participants from across the state were brought together in their geographic regions to discuss personal experiences with the WIC program. This report was prepared for the New York Department of Health and released on June 1, 1988.

The report showed that 49% of those surveyed get their health information from WIC nutritionists. The participants of the focus group went on to discuss the positive aspects of WIC, specifically that WIC:

- * helps them financially,
- * provides good food, and
- * acts as an important source for nutritional advice.

As one woman stated, "WIC is an answer when you don't have one."

The report of the focus groups clearly showed that WIC is an invaluable resource for low-income women trying to provide quality meals and nutritional direction for their families. It also clearly showed some of the barriers to participation that WIC consumers have to face.

Several of the problems that participants mentioned were due to inadequate clinic staffing. One participant was given an appointment the day she left the hospital with her baby, the appointment was scheduled for two months later. She asked a WIC officer to give her an appointment sooner since she did not have a job and had no money to feed her child. She was told that there were no openings. Another problem cited, is the actual waiting time within the clinic. All the participants agreed that waiting times could be as long as 3 or 4 hours, sometimes even a full day.

All participants, however, agreed that the treatment they received by the nutritionist was good, except when she is rushed to get to the next person in line and therefore, has little time to answer questions. Participants that have been in WIC for more than a year, reported that these problems have become increasingly worse during the past year.

Clinic hours of operation also acted as a barrier to participation. WIC Consumers urged that office hours be expanded to Saturdays and evenings.

One group of participants had the following suggestions:

- * hire WIC staff who have more formal education and are better informed about WIC,

- * expand the WIC staff, thereby enabling better service,

- * hold clinics in a larger space and devise a better method for scheduling appointments,

- * hire more nutritionists to improve the quality of interaction and to handle the volume of appointments for a single day.

Among the recommendations of the facilitators, were the following conclusions:

- * better organization at WIC offices which could include:

- nutrition classes conducted while participants wait for checks,

- better scheduled appointments for check pick-up

- more staff and more hours to handle participant load, and

- * standardization of policy implementation throughout the state.


For example, all sites should offer free blood work, and require nutrition classes.

A Bronx woman summed it up when she said:

"WIC is a fantastic program that is here to help us. It not only provides financial help, but the nutritional information is extremely useful. It is one of the best federal programs."

Thank you for allowing me to present this testimony before you today. I hope that what I have presented is useful in understanding the effects and benefits of the WIC Program. On behalf of WIC Consumers, I thank you for your interest in the program and urge you to investigate ways of expanding WIC services to more of the eligible population.

Respectfully submitted,



Djamillah Samad

Coordinator, WIC Association NYS
Nutrition Outreach Project
Former WIC Participant

SUMMARY

The Supplemental Food Program for Women, Infants and Children, commonly known as WIC, has proven to be a positive intervention for improving the health status of its target population. WIC provides nutrition education and nutritious foods such as milk, cheese, eggs, juice, cereal, legumes and iron-fortified infant formula to pregnant, lactating and postpartum women and young children up to the age of five. In order to qualify for the program an applicant must be determined to be of low income and medically or nutritionally at risk.

For a child of 3 years of age the average food package consists of:

21 quarts milk, 1 pound cheese, 2½ dozen eggs, 276 ounces juice,
24 ounces cereal and 18 ounces peanut butter.

This costs approximately \$39.00.

In addition to the food supplement package a WIC participant receives

- * nutrition education
- * health screening for illnesses
- * information and support for breastfeeding
- * classes in parenting skills, coupon use & budgeting, drug & alcohol abuse, AIDS.
- * additional references and services.

A Bronx woman summed it up when she said:

"WIC is a program that is here to help us. It not only provides finan-

cial help, but the nutritional information is extremely useful. It is one of the best federal programs."

On behalf of WIC consumers nationwide and the WIC Association of New York State, I thank you for your interest and urge you to investigate ways of expanding WIC's services to more of the eligible population.

Djamillah Samad

February 8, 1989

Chairman HAWKINS. Thank you. The next witness is Mr. Loren Bell, President of the National Association of WIC Directors.

Mr. BELL. Thank, Chairman Hawkins. I would like to personally thank the Committee for holding this hearing at a time when so many of my colleagues from around the country can be here.

I think it is really important that we have the opportunity to discuss with you the issues that the WIC community is facing now and will face in the future with reauthorization.

I have presented formal testimony to the Committee outlining the philosophy and the specific points that the National Association of WIC Directors would like to see changed in the legislation. I would like to summarize those now.

There are two major philosophical issues that the WIC community would like to see addressed by this Committee. One is what you have heard already—how can we increase the number of clients being served by this program?

No one questions the effectiveness of the WIC program, but many question why it still only reaches half of the population. We would like to see a predictable growth of the WIC program so that we can best manage our resources and provide those services to the clients who are so needy within our communities.

Second, we would also like the WIC program to look at how we spend those resources and how we could better spend those resources.

You have heard some testimony here today about what happens in the WIC clinics. You have asked questions regarding that. I hope that you can understand that what we are looking at in the WIC community is not simply bringing the clients in, telling them to eat right and sending them on their way.

What we are doing is trying to help that client. More often than not, we are the first point of contact for the WIC client within both the public health and social services system.

We need to be able to help that client deal with the system, to prevent that client from having to have the problems that we have talked so much about.

The WIC client of today is not like the WIC client of fifteen years ago. We see very high risk clients in our local agencies.

We see abused children. We see families in crisis. We see the homeless. We see people with AIDS. We see people addicted to drugs and alcohol. We see teen pregnancies and we see children with disabilities.

Yet, more often than not, we cannot continue to serve those clients, not only within the WIC system but within all the other social service systems that are out there.

Cutbacks and reduced budgets in these areas have inadequately funded the whole system, and we would hope that when the Committee looks at the WIC program it looks at it as part of the system, part of a system that helps to prevent all of the costly consequences of disabling conditions and other problems that we see.

The WIC program would like to be a more effective program. To do so, what we are talking about is simplifying it to make it easier for us to serve the client.

You have a choice. We can either serve clients or serve paper, and we would prefer to serve clients. We are asking you to look at

what is happening with the program and say to states, "Hold us accountable for outcomes of the program, but don't hold us accountable for process. Don't make us all do the same thing to the same clients in every way when we deal with such a diverse population."

We hear testimony from New York City and we hear testimony from rural Washington state. We often hear that the WIC program is a program that is concerned about its clients, and we are—but we would like to see us be able to better serve our clients through the points that we have presented.

Some of the items that the National Association would recommend that you look at are as follows.

One is to guarantee a high quality of services to clients by looking at how the Congress funds the WIC program and splits that money between food and local program services. We would like to see a more rational approach taken to that.

Two, we would like to see the Congress look at funding special state initiatives to be able to allow us to increase the creativity and productivity of our local and state agencies.

Three, we are asking Congress to look at technical issues related to cash flow and how the oncoming cost containment systems within the WIC program are affected by that.

Fourth, we are asking them to simplify the system that we are currently using for infant formula cost containment. No other issue that we talk about during this next four years is as burdensome and as frustrating as this one, and we would ask you to seriously look at simplifying that system to make it workable, so that we can expand the resources that we have to serve more clients.

We are asking for better coordination between WIC and Medicaid. All of us would like to see that any pregnant woman who comes in who is eligible for Medicaid would be eligible for WIC, and there are ways that we can do that.

We would like to see the Department of Agriculture look at the regulatory requirements that they have us operate under. We would like to ask them to look at the impact that those increased regulatory requirements have had, not only on states but on client services.

Attached to my testimony is a list of regulatory requirements that have been added to this program since its inception, and you will note that there has been no increase in money to the states to implement any of these.

We would like to request special funding to help us promote breast feeding among our clients. We see this as one of our top priorities, and we would like to be able to take the resources that we currently devote to breast feeding and better utilize them in promoting more effective breast feeding strategies.

We would like to ask Congress to assist us in updating information about the client population, so that we know how many clients are not being served. Right now we are using 1980 census data when we talk about fifty percent of the clients being served, but we all know that conditions have changed dramatically since 1980.

Finally, we are asking the Committee to help us improve our programs by allowing us to have the kinds of data that states need to be able to go to our state legislators, to go to our county boards

of supervisors and to come back to this Congress and give you good, hard data on who we serve and how we serve them.

In short, we are asking for you to look at the WIC program critically and come back to the WIC community and say, "We care about what you do—we want to help you with what you do—and we will work together to make this not only a larger program, but a better program."

Thank you.

[The prepared statement of Loren Bell follows:]

TESTIMONY

Before the

House Education and Labor Committee

Subcommittee on Elementary, Secondary and Vocational Education

By

Loren Bell, President

National Association of WIC Directors

and

Washington State WIC Director

First, I would like to thank Chairman Hawkins and the committee for the opportunity to present at this hearing. Hearings such as these provide an opportunity to discuss concerns over important program issues related to serving pregnant women, infants and children in need of WIC services. The WIC program experience has been one of growth and excitement over the last fifteen years. The best way to describe the program's success was made in an interview I saw on television recently where a reporter asked Tom Selleck why he was so successful. He got a funny look on his face and turned back to the reporter and said, "Why I think it's obvious--it's good looks and hard work." That's the story of the WIC program. The good looks have always been there. A program that serves pregnant women, infants and children and provides them basic food necessities in order to prevent low birthweight babies and the disastrous consequence of low birthweight is certainly good looks. The program has the charm and the glamour of anything Hollywood could imagine, yet at the same time, behind the scenes there has always been hard work. Extremely hard work by local WIC agencies that have struggled over the last fifteen years to develop their programs and best serve their clients, particularly in the face of increased risk and problems of clients. It has been hard work by the state agencies to develop accountable, comprehensive programs and yet remain creative and innovative in their approach to solving problems that are faced every day. It has been hard work, too, by federal staff in terms of trying to work to develop the program accountability and yet still allow states flexibility to be able to solve some of their own problems. It is also hard work by Congress, to uphold its commitment to serving those in our society that are most vulnerable, our children. And it is in this spirit that we present today, and it

is in this spirit that we hope we can face the new challenges in the next few years.

The National Association of WIC Directors is focusing on two primary philosophical issues related to the reauthorization of the program. The first issue, of course, is funding and the need to provide enough money to serve all those many clients that are currently not being served. Certainly the WIC program has been proven effective. I do not believe that anyone would rationally question that. What one would rationally question is why then if it is so effective do we not extend it to more of those in need? That issue must be addressed by this Congress and the WIC community over the next four years. How can we best provide the resources necessary to continue the growth of the program so all of those in need can benefit from its results?

The second issue we are concerned about is how can we make the program a better program in terms of getting more service for the dollars we receive. Throughout my testimony these two themes will be predominant. How can we expand the program to serve more clients and how can we make it a better program that provides the best quality care to the WIC clients.

One of the most interesting aspects of Dr. David Rush's evaluation of the WIC program that continues to amaze me to this day, was the finding where states perceived WIC programs to be "better programs," the outcomes for the clients were better. I think that says something about the type of clients we are dealing with now days and what kinds of problems states and local agencies face. The WIC client today is not the WIC client of fifteen years ago. Many of us have not seen a client with an eligibility factor

of inadequate diet for many, many years. Most of the clients we see now days have extremely complicated health and social problems. The WIC program was designed to be a supplement to an ongoing health care system, yet what we are finding is with the growth of WIC over the years, the system WIC supports has significantly decreased. We now see clients that not only have increased health, but increased social needs. We see abused children. We see families in crisis. We see addicted babies. We see people with AIDS. We see children with disabilities. It is now no longer acceptable to talk to the client about proper diet and nutrition and send them on their way when we may, in fact, be the only resource or the first resource that this client has seen in the public health and social service system. The importance of referral to other resources to identify and coordinate program resources and providing support for these mothers, infants and children has become more and more a critical component of a state's WIC program. We would hope, in recognition of this, the committee would consider that not only more time is needed with these clients, but it is absolutely essential to the national well-being that the WIC program be a part of an overall system that deals with these problems. Problems of infant mortality, such as identified in the recent National Infant Mortality Commission report, problems of hunger, such as those recently identified in my state (Washington) by our Governor's Hunger Task Force. Problems of abuse and neglect that have been called to the nation's consciousness by unfortunate trials and prosecutions. Problems of homelessness which many have called a national disgrace. It is important that we look at the services to these clients and say "Where is our dollar best spent? Is it best spent helping these clients, or is it best spent filling out a form that needs to be completed?" That is what we are asking you to look at.

What the National Association of WIC Directors is talking about is simplification. We are asking to be held accountable for our program, but are asking to be held accountable for outcomes, not for processes and paperwork. We have found the burdensome regulatory requirements state and local agencies operate under aside from all cost considerations, have had two traumatic impacts on the program.

First, it takes away from client services. The regulatory atmosphere of the WIC program is not only burdensome in terms of cost and hours devoted to paperwork, but it takes away from the ability of state and local agencies to best serve our clients. Every hour a nutritionist or certifier spends on paperwork processing, filling out forms, documenting this and that, for the simple purpose of tracking and documenting, takes one hour from being able to serve a client, to discuss their needs and to refer them to appropriate health care or social service care. We are not saying it is not important to document what happens, what we are saying is that you reach a point of diminishing returns in your documentation and that process becomes the top priority over outcome. It is important for these local staff have the time that it takes to adequately serve their clients.

Secondly, at a broader level, the regulatory process we are operating under has stifled the initiative of state and local agencies. In the past, many of the most creative aspects of the WIC programs have come from ideas at the state and local level. These ideas were developed to solve particular problems that a state recognized and needed to deal with. Some classic examples of this are WIC grocer compliance and the infant formula cost containment initiatives. These were not ideas that were passed on to the WIC community from anywhere else. These were ideas that were

born out of need. I can remember Jack in 1980 working in the California WIC Program when we first started thinking about how we could ensure grocers would be complying with the program rules and how to develop a system that could adequately track what grocers were doing in the program and catch those that were violating our program regulations and thus cheating the clients. I can remember going around to different "compliance agencies" such as Food Stamps and Medicaid Fraud, to try to get ideas and I realized that nothing really suited our needs and we would have to develop something on our own. It turned out a few years later that not only was our system successful, but the California Medicaid Program and the Federal Food Stamp Program were coming to us for ideas and information about how they could use our system to help better track their problem vendors.

It's the same with infant formula cost containment. The ideas born in Mississippi, Ohio, Vermont and Tennessee have been spreading across the country and one of simple need: How can we serve more clients within the resources we have? It is these initiatives that have helped the WIC program to become a better program, but by the same token, the vendor system that was developed in California, or the rebate system that was developed in Tennessee may not be the best system for every other state. Certainly in the area of cost containment, states such as Mississippi, Ohio, Vermont and Maryland developed their own cost containment systems prior to infant formula rebates. These systems need to be recognized as innovative and creative and I do not think any of us would go back and ask them to change their system to be sure it matched what Tennessee has done. Even within the structure of infant formula rebates, creative approaches by states to the bid processes have best met those states' needs. The same is true in the

area of grocer compliance. What California needed and what my current state of Washington need are two different things. We do not have the same kind of demographics as California. We do not have the same kind of system. What is needed in New York City may not be needed in Cheyenne, Wyoming. What is needed in Los Angeles certainly is not needed in Olympia, Washington. The differences and the creativity that states have been allowed to use to solve these problems has been one of the strengths of the program. This kind of initiative is now being stifled. States are unwilling to take on new projects because they figure once it is done, it will be regulated to death and it will create new burdens. In addition, one hates to develop a system and then be the bad guy with other states who will later be required to implement exactly the same thing. The one size fits all category of WIC programs is not true. All of us are different; all of us can be creative; and all of us can solve our problems. We are not saying to this Congress, "Leave us alone and let us operate our programs in a vacuum." What we are saying to this Congress is, "Hold us accountable for what we do. If we have crooked grocers, make us stop them. If our costs are too high, make us lower them." But do not say to us, "You will all follow this process." Ask us to do it our way and I'm sure you will find a more creative and in the long run a better way of doing this.

The National Association of WIC Directors in recognition of the two concepts put forward earlier, has put forward a platform of legislative proposals that I have attached to this formal testimony. These nine points will make the WIC program a better program. I would like to take an opportunity to summarize the points and the philosophical base behind these. In some cases, what we are presenting to you is a concept that we would be

happy to work with your staff and members of the Department of Agriculture to put into reality. In other cases we are asking for something very specific which we feel will make the program a better program.

I would like to briefly summarize our nine points for the legislative agenda:

1. We would like to see the division of appropriation between WIC food and WIC program services change to a more rational approach. I think it is incumbent upon this committee to recognize the fact that since the inception of the program, we have been operating under two problems with the way the WIC funding has been split. One is that the inflexible 80/20 division of appropriations has created a problem over the years in that it has not recognized the increase needs of the clients and the increased regulatory burden put on the programs. Secondly, it has also not recognized the need for an inflation rate that would be appropriate to each of those divisions. Inflation for administration has far outstripped inflation for food. Information has been provided to the NAWD by independent sources indicating not only have WIC program services not kept up with the rate of general inflation, they have not kept up with the rate of food inflation. We would like to see this problem rectified by basing the appropriation for program services on participation. If it can be determined how many clients the program needs to serve, you can then determine how much it will cost to see these clients. This will guarantee adequate program services can be provided. We also would request when inflation is granted to the program, it be indexed based upon an appropriate inflation measure to that division.

2. Our second proposal is special funding for state initiatives. We are asking that \$1 million of the \$3 million research and special project funds be available to grants to the state to allow us to continue the creative methods of developing programs systems to better serve the clients. This will be similar to the special projects of regional and national significance that Health and Human Services provides states to develop models other states can use to solve some of our problems and be creative.
3. With the expansion of infant formula cost containment systems, the problems of solving cash flow at the state level has been created. We are asking that Congress address the issue of cash flow and be flexible enough to allow USDA to solve cash flow problems for states that implement infant formula cost containment systems.
4. The simplification of infant formula cost containment. No other issue that we present to you today is as burdensome, as complicated and as frustrating as this one. The systems that have been developed for the implementation and tracking of infant formula cost containment have reached the point of being ridiculous. Most states do not understand the regulations and even though we all have been trained and all have spent many hours with our federal representatives, we often have to throw up our hands and say it just doesn't make any sense. We are asking that the system be simplified. We are asking this money be treated as exactly what it is: money coming into the state for the purposes of serving clients. We are asking that the money be treated just as our grant is treated right now. That it come to us in the same proportion as our grant, and if we do not spend it, it be taken

from us in the same proportion as our grant. It would provide an incentive to see clients; it would simplify the state's ability to plan out its program expansion, add new local agencies, and guarantee that in future years we will not be worrying about whether we will have adequate funds to be able to serve our clients.

5. We are asking as a first step towards better coordination of WIC and Medicaid, for the WIC program to be required to count a pregnant woman as a family of two. All other social service programs count the pregnant woman as a family of two except the WIC program. Therefore, we have situations where a woman who is eligible for prenatal care under expanded Medicaid guidelines may not be eligible for WIC. In the long run, the Association would like to see WIC and Medicaid coordinated even more so eligibility for Medicaid would automatically mean income eligibility for the WIC program.

We would be happy to work with committee, staff and others on this project as we recognize this is a critical element of improving infant mortality in this country.

6. Trade-off of new regulatory requirements. Attached to my testimony is a listing of regulatory requirements that have been added to the WIC program since its beginning. We are asking for USDA to be held accountable also. They need to analyze what the cost implications of new regulatory requirements are and look toward eliminating some of the more burdensome requirements and more costly requirements that may or may not be necessary. Everyone chuckles, but its a sad commentary on the ways things are when I cite as an example the recent activities

undertaken in almost every state in this country. We are required to report our racial/ethnic participation to the department every year. What we must do is take our sophisticated computer system reports, get them broken down on paper, fill out and sign, at least in my state, 58 different forms for USDA so that they can take those forms, put them back into a computer, and give us back the information. It's silly, it's cumbersome and it's burdensome. Yet, everyone of us has to do it. Simply allowing states to submit computer tapes with the same information would save hours and hours of burdensome work by state and local staff. That is the type of thing we would like USDA to be held accountable for and relieve us from.

7. The National Association of WIC Directors is requesting special funds be set aside for the promotion of breastfeeding among our client population. We recognize the importance of this issue and I will provide at a later date a position paper the Association has prepared on promotion of breastfeeding. We need additional funds to support this important activity. Additional funds would allow us to take the resources that we are already devoted to breastfeeding promotion and redirect them to the most effective methods to get the WIC population's breastfeeding rates more in line with the rest of the country's.
8. We are asking Congress to require the department to update its population base when developing estimates of unmet need so our estimates can more accurately reflect the current conditions of the country. Right now we are still using 1980 census data as a basis for meeting unmet need. We are asking that the population base be updated by some method by USDA so that every five years we can have new numbers and

know in reality approximately how many unserved clients are still out there and where we need to devote our resources.

9. We are asking the committee to allow the appropriation committees or whoever is providing funds for the program, to have the authority to set up a separate appropriation to fund data processing system enhancements. The key to success of the WIC program and the key to accountability is the efficient management of data and information. Most other social and health programs have special set asides to assist states in developing system changes. Right now if a state wants to improve its system or even change to a new system, it must try to find those funds within an existing grant resource which would take more money away from local agencies. This would allow for one-time appropriation in grants to states to improve their systems, and in the long run provide a cost-savings to the program and better management of data and information.

Those in a nut shell are the NAWD legislative proposals. I hope the committee will take these into consideration and continue to work with the association to develop these into a reality so that the program we both are so concerned about can become better and more manageable.

Finally, I would like to conclude with one thought for the committee. It is not often a person gets a chance to see something that really works turn out well. The WIC program has provided hundreds of thousands of examples of a program that has turned out well all across the country. I had a unique experience recently I would like to share with the committee. As part of management training, section managers in my department were

required to attend a training session on management of priorities. During this seminar a young woman who was our discussion leader was making presentations related to more effective management, better utilization of resources, and she was asking people to stand up and tell her what programs they worked for and what they were doing. I was truly impressed with this young woman. Her energy level was very high and she seemed to be generating a lot of enthusiasm in a normally docile group of program managers. Several people stood up and stated where they were from. When it was my turn I stood up and explained I was the director of the WIC program. She got kind of a funny look on her face and continued on. At lunch hour she approached me and asked if she could talk to me for a minute. I said I'd be happy to, assuming that she wanted to discuss something about my participation in the training. She pulled me off to the side and said that she wanted to tell me that thirteen years ago she was a lonely young teenager in Chicago who was pregnant and scared. She had no place to go and no one to take care for her. A friend told her about a program called WIC. She went to see a public health nurse in Chicago and they enrolled her in the WIC program. She not only found the kind of support system she needed to help get her through the pregnancy, but also found a system which could provide her with the basics that she needed at that time: food and referral to other help. She said, "I've always been grateful to that program and I can't really say that my current success or the success of my brilliant son is totally attributable to the WIC program, but it was there when I needed it and I am most appreciative of it and I've always wanted to just be able to say thank you." It is that kind of experience with this program which continues my personal resolve to make it better.

I thank you for your time.

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NAWD LEGISLATIVE PROPOSALS

I. Division of Appropriations

Proposal: To restructure the division between food and program operations so that the service components including nutrition assessment, nutrition education, and referral are assured adequate funding. The national appropriations for program operations should be determined by multiplying the prior year appropriation per participant plus inflation by the number of participants to be served with the appropriated food dollars. Inflation increases shall be indexed based upon FY1988 costs as baseline and be appropriate to the category being indexed.

Rationale: Studies of the WIC Program have found that better quality programs result in better prenatal outcomes. Healthier babies are the most cost effective WIC outcome and yet funding for the services that result in healthy babies is eroded each year by increasing administrative requirements with no funding, inadequate funding for salary inflation and efforts like food package tailoring which add participants to the program with no funding for services. Infant formula rebates have caused this existing problem to reach crisis proportions. It is time to tie the funding of administration and program services to participation, and guarantee appropriate inflationary increase to preserve program quotas.

II. Funds for Special State Initiatives

Proposal: To use \$1 million of the \$3 million research and special project fund as grants to states for special initiatives to improve quality of service delivery and ability to meet FOM standards.

Rationale: State WIC Programs have been concerned that high quality services are delivered to participants. The Focus on Management (FOM) concept was implemented by USDA and NAWD to develop standards to measure the efficiency and effectiveness of the WIC Program in the areas of 1) administrative cost management, 2) caseload management, 3) vendor management, and, most recently, 4) nutrition services.

States which are in process of strengthening their ability to meet the Focus on Management standards need the opportunity to make improvements in the delivery of services to WIC participants. As state program managers observe areas of WIC operation that need improvement, funds to pay for special projects are limited. Annual program grants are spoken for in maintaining ongoing operations.

States have occasionally been allowed to apply for small grants to fund special state initiatives. Such special initiatives can be a stimulus to staff, strengthen service delivery to participants, improve coordination within the health care system, and enable the state to meet FOM standards. This is similar to the special projects of regional and national significance funded by Health and Human Services.

III. Solving the Cash Flow Problems

Proposal: a) To allow states operating and rebate system to "borrow" such funds as are necessary of the following year's grant to cover year-end expenditures before payments are received under their rebate contract, and b) to make available within any continuing resolution such additional funds as are necessary to implement this provision.

Rationale: States use rebate income to pay for additional food packages for an increased number of mothers and children. A state plans to spend the food grant (less its conversion authority) plus the rebate income for participant food costs. Most vouchers clear the bank during their valid month; however, the state does not bill for rebate charges until the end of the following month when the record of cans actually purchased is available. A cash flow problem exists at the end of the federal year because the state is awaiting rebate payment from the last months of the federal year but meanwhile is paying for vouchers cashed through the WIC bank. After the rebate income is received, the state can adjust accounting records to reflect expenses by federal year.

IV. Infant Formula Cost Containment Simplification

Proposal: That funds returned to or saved by a state through any food cost containment initiative:

- a) shall be available for the state to expand WIC services to the potentially eligible population of that state;
- b) shall be available for supplemental foods and administration and program services in the same proportions as appropriated funds allocated to the state; and
- c) if unexpended, shall be returned to USDA for reallocation on the same proportion as appropriated funds.
- d) For purposes of this part, savings shall be defined as the difference between the actual costs of the state and the costs if no such food cost containment initiative were in place.

RATIONALE: Infant Formula cost containment systems have been developed by states to serve more clients within existing resources. During the past two years, the regulatory requirement on how cost containment systems must be administered have become so complicated it almost becomes a disincentive to enter into one.

The complexity of rules has created far more problems than it has solved. It is time to simplify this process to allow states to implement cost containment without the disincentive of massive paperwork and accounting systems. The NAWD proposal would:

- 1) Simplify cost containment systems for states as well as USDA
- 2) Tie use of cost containment funds to participation increases.
- 3) Recognize states such as Mississippi, Ohio, Maryland, and Vermont which pioneered cost containment systems.
- 4) Will allow state to plan expansion of services without warning if funds will be available to support those services in future years.

V. Medicaid and WIC Eligibility

Proposal: For the purpose of income determination, a pregnant woman shall be counted as a family of two.

Rationale: Federal legislation now affords states the option of extending Medicaid services to pregnant women, infants and children with family incomes up to and including 185 percent of poverty. The Medicaid and AFDC Programs count the pregnant women as two persons for income eligibility purposes which WIC counts the pregnant woman as one. In those states adopting the new option, WIC Programs will no longer be able to accept proof of Medicaid enrollment as income eligibility for WIC.

Common income eligibility definitions among health and health care-related programs which serve the same population greatly facilitate participant access to services at the local program level. Referral and intake processes are simplified and effective coordination promoted.

VI. Funding or Trade-Offs for New Regulatory or Other Requirements

Proposal: USDA would be required to do a cost analysis of new regulatory requirements for the WIC Program. In order to implement new regulations they would be required to either give the states the funding to meet the new program requirements or delete other requirements to compensate the state.

Rationale: Each year the USDA adds administrative requirements to the WIC Program through regulatory change and other requirements. States are not compensated for these costs and are expected to absorb these costs. The additional requirements have costs associated with them that are often substantial. The states may have no other choice in dealing with the situation but to cut local grants. Thus, the net result of increased administrative requirements is often poorer quality services in the health and nutrition education area.

The WIC Program is a business with costs for services. The federal authorities cannot continue to deal with each problem by writing new regulations and not making decisions about priorities. The best parts of the program are being slowly destroyed by this approach. To protect these services, WIC must have a fiscally responsible federal management.

VII. Breastfeeding Promotion

Proposal: a) Earmark \$8 million annually specifically for breastfeeding promotion activities in WIC Programs. Appropriate funding after split from the pool of funds designated as food cost. These funds would be allocated on a rate of \$10 for every pregnant and breastfeeding woman served by the states, based on the most recent participation data.

State agencies would be required to submit a plan delineating how these funds would be used to promote breastfeeding, as a part of the annual nutrition education plan submitted in the State Plan of Operations and Administration. Progress in effecting change in rates of breastfeeding would be monitored using existing reports of enrollment participation, as well as data from the Centers for Disease Control, where available. In order to accomplish this a national definition of breastfeeding must be established.

b) Include a lactation specialist on the National Advisory Council for Maternal, Infant and Fetal Nutrition.

Rationale: The advantages of breastfeeding to infant health are well documented, but while the rates of breastfeeding among middle and upper income women approach the national goal, the incidence of breastfeeding among low income and minority women remains low. Breastfeeding education programs have been and continue to be a routine part of the WIC's education component; however, national data do not indicate that current education programs have had an appreciable impact.

Breastfeeding promotion activities are labor intensive and require a long-term commitment of resources, in a program where delivery of basic services is severely limited by scarce resources. Consequently, WIC administrators are finding it increasingly difficult to fund these activities.

Nevertheless, SA's recognize both the need and value of a concerted effort to promote breastfeeding in WIC populations: first, the very real health and social values afforded the mother-infant dyad, and secondly, the programmatic saving that could be realized by increasing the rates of breastfeeding nationally in WIC. An estimated \$29 million could be saved annually in formula costs, if WIC mothers breastfed for one month. The \$8 million allocated for breastfeeding promotion could be recouped through savings realized from increasing the rates of breastfeeding.

Studies have indicated that breastfeeding promotion efforts are effective in increasing both the rate and duration of breastfeeding among low-income populations. The tangible health benefits to babies, social benefits to the mother-infant dyad and financial savings to the program support the allocation of funds for these activities.

VIII. Updating Population Data Base

Proposal: When new census data is available and every five years thereafter, the department shall update the projection of the potentially eligible WIC population for state agencies.

Rationale: Currently USDA is utilizing 1980 census data which does not accurately reflect current shifts in population. This can result in incorrect identification of parity and inadequate evaluation of meeting national need.

IX. Automated Data Processing Improvements

Proposal: Notwithstanding any other provision of this law, nothing shall prohibit the establishment of a special appropriation to improve automated data processing systems in WIC Programs nationally.

Rationale: State program managers observe areas of WIC operation that need improvement, particularly in relation to management information systems needs. Annual program grants are spoken for in maintaining ongoing operations. States have occasionally been allowed to apply for small grants to conduct a project or carry out a data system improvement. These efforts have resulted in effective, practical program improvements. States that have committed to developing an improved management information system need financial help on a one-time basis to achieve this goal. Also, the common data set required for PC90 and PC92 will require expensive changes in current state management information systems to collect the data elements. Funding grants to states for these special initiatives will bring tangible results.

WIC PROGRAM

The WIC Program has received no increase in program operations and administrative funding since FY 75. Yet, the paperwork and documentation requirements for the Program have grown at a geometric level. The result is that the services to women and children which have made the program so successful and well liked by clients have eroded to levels which damage the effectiveness of WIC.

ADDITIONAL REGULATORY REQUIREMENTS WHICH WERE NOT FUNDED

- 246.3c State plan requirements added
- 246.3e State staffing standards for administrator, program specialists and nutritionist added
- 246.4 Detailed state plan submission requirements added
- 246.5a Responsibility for selection, expansion, reduction and disqualification of local agencies increased
 - b Notification regarding incomplete applications
 - c Requirements to fund according to Affirmative Action plan and to justify to FNS for not funding the highest priority area or special population
 - d Standards for the selection of new local agencies
 - e Disqualification rules for local agencies
 - f Periodic review of local agency qualifications
- 246.6 Signed written agreements with local agencies mandated
- 246.7a Integration mandated with other health services
 - c* Income eligibility determination for each participant
 - d Expanded requirements for states to establish nutritional risk criteria and nutritional risk priority system
 - e* Processing standards that people must be seen within 10 or 20 days with no provision for staff increases
 - f* Periodic recertification of participants with no provision for staff increases
 - g Provision for reviewing certification decisions in mid certification
 - h Certification forms are mandated

- i Notification of rights and responsibilities to each participant
- j Issuance of verification of certification cards
- k Detect and stop dual participation
- l Certification must be at no cost to the applicant
- 246.8 Civil rights requirements including handling of complaints and providing non English materials
- 246.9 Fair Hearing requirements expanded
- 246.10 State responsibilities for providing foods are made more complex
- 246.11* Nutrition education must be provided to all participants (16% of funds must now be spent on it)
 - c Complex state agency nutrition responsibilities added
 - d Local agency responsibility to do nutrition education for all
 - e Must offer two contracts during a certification period including individual care plans for some and contracts to meet different cultural and language needs
- 246.12 Food delivery
 - e* Authorization of food vendors including an on site visit to each prior to initial authorization
 - f Agreements with each vendor
 - g Periodic review of food vendors qualifications
 - h Food vendor training must be given
 - i* Monitoring of food vendors including
 - Designing and implementing a system to identify high risk vendors
 - Vendor investigations and sanctions
 - On site monitoring of vendors and reporting
 - Documentation of visits
 - Handling of complaints

Compliance purchasing

Participant and vendor sanctions

- l Additional controls on food instruments
- m More prompt payment to vendors
- n More prompt reconciliation of food instruments
- p Each participant signs a receipt for retail purchase systems
 - Uniform food instruments
 - More required information on the face of food instruments
 - Ensure that purchase price is recorded at time of purchase
 - Each voucher can be identified by vendor
 - Other additional controls
 - t Additional requirements for home delivery systems
 - u Additional requirements for direct distribution systems
- 246.13 Expands requirements for financial management and internal control
- 246.14 Limits the eligible costs that can be charged to the program
- 246.15 Defines the use of program income
- 246.16* Defines and limits the distribution of funds
 - Specifies that USDA will reduce the administrative grant of a state failing to spend 95% of their food grant
- 246.17 Expands the procedures and paperwork for closeout
- 246.18 Expands and defines the appeal process for vendors
- 246.19 Expands and defines the management review process for FNS and states
- 246.20 Defines and expands audit responsibilities
- 246.23 USDA is authorized to make claims against states

- 246.24 Defines and expands requirements for procurement and property management
- 246/25 Expands and defines additional record keeping and reporting requirements
- * Indicates a very significant fiscal impact

LEGISLATION NOT YET IN CONSOLIDATED REGULATIONS

- A. Provision of drug abuse education
- B. Provide benefits to and meet special nutritional needs of homeless
- C. Distribute information on benefits to homeless organizations
- D. Cost containment feasibility studies mandated

REGULATORY REQUIREMENTS DELETED

- 246.3b Forward local agency applications to FNS
- 246.6 Local agency application requirements are removed

Chairman HAWKINS. Thank you. The Chair would like to thank the witnesses for very comprehensive and excellent statements.

The Chair would like to ask only one or two questions.

Dr. Schiff, in your prepared statement, beginning on page two, you listed a number of recommendations—six, in effect.

Among those recommendations, some of them would improve the efficiency of the program, some of them would improve the quality of the program. Some would necessitate additional moneys and some, I assume, would not.

If, given that there wilol be a limited amount of funds available to expand the program, I wonder if you could designate which of those recommendations would require additional money and those that could improve the efficiency of the program without additional money, because we probably would get consensus on some of those increasing the amount of money.

If we did not get, let's say, as much as we would recommend to the Congress, we would then have the real problem of sacrificing quality in order to increase the number served. Do you understand the nature of the question?

Dr. SCHIFF. I believe I do, Mr. Chairman.

Chairman HAWKINS. In other words, we are asking you to give us those recommendations divided among those that would require additional money and those that might be accomplished merely by a change in the law itself.

Dr. SCHIFF. I think I would like to concentrate on two recommendations.

The first would be the increase in the number of participants in the program. With only fifty percent of the eligibles currently participating, I think that the numerical participation is very important.

However, within that numerical participation I would like to emphasize the necessity for concentrating in a much greater fashion than ever before on encouraging breast feeding.

I think breast feeding has so many advantages to it for the mother and the child, that if we can have a great impact on that single fact I think that that would be an enhancement of the program.

Chairman HAWKINS. Can you be more specific as to how we could change the law in such a way as to encourage that?

Dr. SCHIFF. I suppose there could be some specific language in legislation which would allocate a percentage of funds for the encouragement of breast feeding.

There are a whole variety of strategies that can be used, such as counselors, such as home visitors, such as medical participation—there are a number of elements that can be utilized to encourage breast feeding.

I think that sometimes that can be expressed in language in legislation.

Chairman HAWKINS. I would appreciate it if you could suggest to the staff or the Committee—not today necessarily, but at your convenience—some change in the language that you think would accomplish that particular objective.

Dr. SCHIFF. I would be glad to try and help.

Chairman HAWKINS. Suggestions such as that would make it a little more specific and allow us to focus in on some of the things that specifically need to be done, whether or not we get as much additional funding as we would like. I am not trying to be pessimistic, I am just simply trying to be both optimistic and a little more accurate in terms of what it is that we can do. Thank you.

In connection with the previous suggestion of recognizing those members who were foreclosed, I think— Ms. Unsoeld—I think you were to be called upon next. We will allow you at this time.

Ms. UNSOELD. Thank you, Mr. Chairman and ladies and gentlemen of the Committee.

It is particularly a pleasure to have this group before us, including Mr. Bell from Washington state, because my education on the importance and the value of the WIC program comes from your people.

The question that I would like to ask particularly of you, with the years of experience that you have enjoyed on this issue, and with the recognition that this is a cost effective program—yet we have had difficulty getting it funding.

Now, is there any shift on the horizon? What is taking place now in the other groups?

Unlike those of us here today who have had some first-hand knowledge or relationship with this issue, are there other groups that are beginning to appreciate this issue and asking for increased or full funding for eligible pregnant women and children—particularly from the business community, from some of the bipartisan groups?

Mr. BELL. Yes, there have. I can answer that on two points.

One, we have seen a greater increase in interest in the private sector—the business community. There is a great deal of concern about what is going to happen to the youth who will be the workers in the future. What will happen to the children now who will later be the corporate workers and corporate executives?

Several recommendations have come out of a variety of groups and task forces that say that prevention is the key here—that we need to prevent the kinds of problems not only that society will end up paying for later, but that sort of disable the society in terms of the productivity of society.

I think that you will see more and more of that come along. In our state, as you know, we have a project called Youth Two Thousand, which is looking at what the youth of our state will have to deal with in the year 2000 and what kind of work force we will have that will be productive, and looking at preventive kinds of programs.

Second, on a personal note, I have a disabled child. There was an emergency cesarean section with a low birth weight baby and she is totally deaf.

Now, I have plenty of health insurance to cover the health needs of my children. I know the system well and I can deal with it.

Yet it still costs me thousands of dollars each year on her health care that my insurance will not cover, and the cost of special education for that child, the cost for the neonatal intensive care unit that child was in and the ongoing cost that child will have all

throughout her life—as bright and as healthy as she is—are going to create a burden on society.

If we could prevent those kinds of things, we could better put our resources to many of the other problems that we need to put our resources into.

Ms. UNSOELD. Are some of those who have recently picked up on this recognition of the value of preventiveness—the Counsel on Competitiveness, which is a business-backed organization—

Mr. BELL. Yes.

Ms. UNSOELD. [continuing] and the Committee for Economic Development, which is also in business and education?

Mr. BELL. Yes.

Ms. UNSOELD. Isn't there another organization—what is it, the American Agenda that the Presidents Ford and Carter had—

Mr. BELL. That is correct. Presidents Ford and Carter were on that, and several distinguished panel members have recognized this program as being very cost effective.

Ms. UNSOELD. Definitely the base has been broadened for support for the kind of funding we know is needed.

Mr. BELL. That is correct.

Ms. UNSOELD. All right. Thank you.

Chairman HAWKINS. Mr. Petri?

Mr. PETRI. Thank you, Mr. Chairman. I had several questions of the panel in one area of the program. Perhaps Mr. Bell, or others, might want to address them.

That is that it is my understanding that infant formula manufacturers provide financial rebates to state WIC programs in many states.

Do you have any idea how much you anticipate will be the aggregate amount received during the coming fiscal year of rebates at the state level from the manufacturers?

Mr. BELL. I do not have a total dollar figure, but infant formula is one-third of the total WIC food package, and depending on the size of the rebate that the state gets—I can give you an example in Washington state.

We are estimating—right now our case load is about fifty thousand clients per month and we are expecting we could go to sixty-six thousand clients per month with full implementation of rebates. It is a significant number.

As I say, it is a large part of our food package and a lot of it would depend on how much is negotiated with the formula companies, how much they would bid and so on.

It is significant.

Mr. PETRI. Do you have the resources to survey all the states—or I suppose we could, too, and get some figure from them?

Mr. BELL. I am sure the Department of Agriculture may have some information on that.

As you know, there was an amendment to the appropriations bill by Senator Burdick requiring states to study and implement infant formula cost containment systems.

Now, some states will be doing infant formula rebates, as you heard, but there are other cost containment systems involved in that legislation that states would be looking at. Some of them may not opt for rebates but would choose one of the other forms—such

as Mississippi's direct delivery system or Ohio's home delivery system.

Mr. PETRI. For what purposes are the rebates used? When they get the money back at the state level from these manufacturers, what is it spent on?

Mr. BELL. It is spent on expanding the program. It all goes back into client services.

Mr. PETRI. Is any money allocated for WIC program administration, such as staff expansion?

Mr. BELL. When I said in my testimony that you were talking about one of the most complicated and frustrating components of the program—yes, it is allowed for one year.

We are allowed to convert that money into program costs to help support it.

The problem that we are having is that that system is so burdensome and complex—and it really is not treated as money coming into the state.

The way it is treated by the Department of Agriculture is that it is actually a food cost savings, and so they are assuming that with the food cost savings you have one year to convert some of that money to support your clients, but in the second year you no longer convert that and the funding formula for WIC is supposed to take over.

What happens in reality is that, if you have any kind of level or small growth in the funding, what you will find is that you will be asked to serve thousands more clients, hundreds of thousands more clients, with essentially the same money.

It really erodes and deteriorates in the long run the amount of money you can put toward client services.

We are asking the Committee to correct that problem.

Mr. PETRI. I have three or four more quick questions. I hope you can hold your answer down. I do not want to infringe on the other members' time, either, and I know we have a lot to cover.

Could you estimate at all a ballpark figure as to the percentage of rebate funds used for staff expansion?

Mr. BELL. It is based on your current monthly cost per client, so you probably would say an aggregate twenty percent.

Mr. PETRI. Is any of the money invested in consumer education currently?

Mr. BELL. Educating them about WIC or about the system—I am trying to understand.

Mr. PETRI. About breast feeding or other—

Mr. BELL. It depends on the state. I think that would be a state-by-state—what you do normally is to incorporate that into your spending approach that the state already has.

Mr. PETRI. Okay. Do you believe there is merit in utilizing a part of the rebate moneys to provide for breast feeding education?

Mr. BELL. I believe there is merit in increasing breast feeding promotion, yes.

Part of the rebate moneys—again, we do not have a specific position on that—I think that some states probably are doing that.

Mr. PETRI. Finally, would it make sense to offset the WIC appropriations that we appropriate by savings derived from the rebate program?

Mr. BELL. No.

Mr. PETRI. Why not?

Mr. BELL. One, you are depending on the good will of the infant formula companies at that point to provide services to clients, and that is something that is totally unpredictable.

When you are only serving fifty percent of your clients in a program that is as successful as this, you need to provide all the support you can, both appropriated money and cost savings money.

I think that if you reduced the program by what the infant formula companies were contributing it would be a disaster to the program.

Chairman HAWKINS. Mr. Petri, the Department of Agriculture will be testifying before the Committee, and I would suggest that some of the specific questions that you have raised might be better answered by the Department.

We will certainly ask them to be specific in this particular field.

Mr. Owens?

Mr. OWENS. Mr. Chairman, I have one question and one comment. My question relates to the fact that I think Ms. Samad said that one of the strengths of the WIC program is that you do not just give a check and that is it. You do provide an education—try to provide an education and orientation for parents.

I wondered, is the support there from the government that used to be in the provision of that education? For example, we had "Infant Care", which was a booklet that was distributed to all mothers—certainly poor mothers who gave birth in hospitals always went home with a booklet called "Infant Care".

The Reagan administration, in cutting back on government publications, was proud of the fact that they cut out the free distribution of "Infant Care" and those kinds of booklets and pamphlets.

Also, years ago when I was a public librarian, one of the most successful programs that I was able to operate in the public library was a series of programs for mothers, mostly young mothers, who were seeking information.

They, of course, used that information and we were able to get free films that we could show them and all kinds of free materials that they could take home with them.

Is that still available in some form? Has the government in its attempt to save a few pennies in the wrong place cut out an opportunity for the provision of that education in a very cheap way?

Because I know low income parents—I know from experience that they will not buy books. They will not buy Dr. Spock—they cannot afford or do not think they can afford it—so no matter how badly they need a book they are not going to buy it.

There is a need to have that kind of information distributed free. Would you comment on that?

Ms. SAMAD. Mr. Owens, as one Brooklynite to another, you know that we are not, as a people, as literate as we might be. Our mothers do not read and cannot read as much as they should read.

WIC works and breast feeding works and a lot of other things work because we can talk people-to-people and we can get to know each other people-to-people, and this is why I think administrative dollars are important, because a nutritionist needs time to sit down and run through those things with those mothers.

Mr. OWENS. You do not have the free booklets anymore? You have not seen them?

Ms. SAMAD. I do not know. They may be available, but I am not so sure that our women are going to read them.

Mr. OWENS. Oh, they were read, all right. You know, I saw them in homes when I was poor. My mother had them—

Ms. SAMAD. I also see them in the garbage cans outside of the WIC offices, too.

Mr. OWENS. [continuing] and they consulted them when they needed them.

I am just wondering, in addition—I am not in any way saying that you do not need the one-on-one and need the direct contact. That is very much needed. But, in addition to that, I think we also need to be able to provide that very simple, simply prepared information that was there, that we took away.

Ms. SAMAD. If it is prepared, it should be more visual and more—

Mr. OWENS. These were very visual, with drawings and so forth. As I said, there were free films that the library provided.

My second—it is not a question, it is a comment—I think it is as relevant as anything said here today, because your testimony has been very good, but you are talking mostly to the converted.

There is a great deal of agreement up here, almost one hundred percent agreement, until you start to talk about money, and then the agreement breaks down.

There are a few questions that have been asked about how you can save some here and put it there. I think Senator Chiles said that we need about \$2 billion to serve all the people who need to be served by this program.

Two billion dollars is less than the cost of one nuclear aircraft carrier. I want you to listen to me. It is just as relevant as anything you have heard today, that has been said today.

It is less than the cost of one nuclear aircraft carrier, which costs about \$3.5 billion. Two billion dollars is nothing compared to what the president has proposed that we use to bail out the corrupt savings and loan associations. They are talking about \$90 billion—\$90 billion—to subsidize the banking industry and bail out corrupt and incompetent bankers.

Whenever the power structure really wants to do anything and we really want to get things done around here, we are able somehow to find the money. We found \$4.5 billion for the drought relief at a time when there was a deficit and Gramm-Rudman—somehow the money can be found.

If you can find \$90 billion—there are going to be mechanisms developed.

So I hope that we realize that, when we are talking about a program like WIC, which has been proven—everybody agrees that it is a successful program and it works, it is a great investment, it will save a great deal of money in the future—yet we cannot get it fully funded.

As we approach the fight to get it fully funded, I hope we will all approach it not apologetically, but with great indignation.

This nation can afford—it can afford—to fully fund the WIC program. It can afford it, and we should remember that and be quite

indignant as we listed to what they are going to be proposing for the \$90 billion bail-out of the banks and a number of other things that are they are going to find money for.

We should insist that this program that works should get funded. Thank you.

Chairman HAWKINS. Mr. Grandy?

Mr. GRANDY. Thank you, Mr. Chairman.

Dr. Schiff, I want to go back to your comments about promoting strategies to reduce barriers to breast feeding and increase social support.

What in your estimation are the barriers to breast feeding right now, other than the obvious ones of, in many cases, having to hold down some kind of a job and not actually being there with the child?

Please elucidate a little bit about what the social barriers are that you see. Is it a class barrier, now? Are we looking at something that applies to certain income categories?

Dr. SCHIFF. I think that the barriers are multiple, I think not the least of which is a lack of understanding of the advantages of breast feeding in the minds of many young women who are having babies.

I think that certainly the question of holding a job is a very important one. I am glad you mentioned that. However, in addition to that I think that the percentage of women who actually breast feed has varied considerably—over the last twenty-five or thirty years—and this variance has occurred in all socioeconomic strata.

Mr. GRANDY. Excuse me just a moment. Has it varied downward or upward?

Dr. SCHIFF. Both. It started off at a lower level, then it rose in the late 1970s, and then it became variable.

I think that what we have found is that in those individuals who have had the opportunity to understand and have been educated in the value of breast feeding, the numbers have gone up.

However, I think that that educational experience has been limited, and I think that there are large numbers of young mothers today who really are not truly aware of the value—and I am not just talking about the nutritional value, but I am talking about the value that occurs in the bonding process between mother and child.

I do not want to minimize the problems that occur because of working, and I think that if we could establish better means of child care—if we could establish these child care units perhaps on site, where young women are working—that this would do a great deal to minimize these barriers.

I would like to call your attention to that point.

Mr. GRANDY. I do not know if you are familiar with the Extended Food and Nutrition Education program, which is run out of the Department of Agriculture, which is usually something that is attached to food stamps in terms of how to properly prepare and buy products—and it is run through the Extension Service.

Would this be a delivery mechanism for educating potential mothers on the advantages of breast feeding—and, more to the point, the maintenance problems around breast feeding—in other words, holding down a job and still breast feeding an infant? Is that a possible delivery mechanism?

In one of the reports here—I believe it is from the Chairman of your legislative committee, Mr. Bell—John Barr talks about earmarking \$8 million for breast feeding promotion. I am trying to figure out how you get value for those dollars.

If we are looking at, in many cases, a population that might be illiterate, that would not avail themselves of visual aids or supplements or pamphlets or things of that nature, is there an existing delivery system now that we might be able to use?

Dr. SCHIFF. The recommendation that we have talked about has to do, to some degree, with something we call a Home Visitor program.

What we are talking about in terms of a Home Visitor is usually someone who is a neighbor, who is in the same general category of people living in a neighborhood, who would be supportive in the educational effort and also in the support that is necessary through some of the vagaries that occur during the breast feeding process.

Nursing can have its ups and downs also, and there are times when it would be easier for a mother to stop nursing, she would appear to think—whereas, if there was someone that she could call upon for support, for help—that can keep the nursing process going.

It is that kind of support that we are talking about, also.

Mr. GRANDY. It is your estimation, again referring to this report that Mr. Barr provided—he estimates that if you spend \$8 million on breast feeding promotion you can save \$29 million in one month on formula costs.

Would you basically agree with that?

Dr. SCHIFF. I would hate to be held to those figures.

Mr. GRANDY. I am not holding you to those figures.

Dr. SCHIFF. I think that the concept is accurate. Certainly, breast feeding is much cheaper than formula feeding.

Mr. GRANDY. Let me ask one more question. I guess I would direct this to you, Mr. Bell, about increasing the amount of funds that can be used for administrative and client services.

I think there is a formula that you folks have put forward which—now, tell me if I am wrong—this is the average national cost per participant where, I guess, the average national administrative cost is roughly \$8.39 per person?

Mr. BELL. Yes.

Mr. GRANDY. You would multiply that times inflation and multiply that figure times your anticipated caseload? That would give you a little bit more than your presently allotted twenty percent? Right?

Mr. BELL. That is correct, and that is given a history of food inflation not being as high as inflation related to actual direct program services costs.

Mr. GRANDY. Would you like this Committee to consider perhaps allowing the states the flexibility to increase that twenty percent allotment to twenty-five percent, or more, depending on need—or do you want this kind of a formula?

Mr. BELL. What we want, and what we are essentially putting forward, is a concept that you base that money on participation, not on an arbitrary percentage.

I cannot tell you that twenty-five percent would be any better than twenty percent. What we need to do is look at it realistically and say, if you want us to serve this many clients, let's have a formula that adequately provides money to do that. As much flexibility as possible would be great.

Mr. GRANDY. So you are asking as a state director to be able to perhaps jockey with that formula a little bit, depending on your caseload?

Mr. BELL. What we are asking, really, of this Committee is that the national appropriation be jockeyed with, not so much that our individual states jockey with it, but that when the split is made, when the appropriation is made and the money is split up, that it is split in a more rational approach, so that the total dollar amount available to the states to provide direct client services is adequate to support the clients who we are going to be seeing.

Mr. GRANDY. But are you talking about just increasing the appropriation, or are you talking about changing the 80/20 split?

Mr. BELL. Changing the 80/20 split, which only deals with the national appropriation, not what money goes to the states. That is done under a USDA formula.

Mr. GRANDY. But aren't you limited by twenty percent right now—

Mr. BELL. Right now, yes we are.

Mr. GRANDY. [continuing] for administrative costs?

Mr. BELL. Yes, and we have been limited since the inception of the program.

Mr. GRANDY. And you would like us to change the formula ourselves, not give you the ability to change it as you see fit?

Mr. BELL. That is correct. What we are asking you to do is to say, when you split the—when the USDA has to take the appropriation that the Committee gives and has to split it—that you direct them to split it in a more rational manner, yes.

Mr. GRANDY. Why is that better than allowing Washington a certain margin of flexibility, Iowa a certain margin of flexibility, New York a certain margin of flexibility—within some parameters? I am not saying that—

Mr. BELL. I guess that what I am trying—I am not making myself clear.

The issue of flexibility of money to the states, I do not think any of us would have any quarrel with, certainly. But it is an issue related to the national appropriation, too.

I guess, if you were going to say, "We will appropriate a national pot of money and then the states can divvy it up any way they would like,"—I am not speaking for the association, but I personally would love it. I am sure the Department of Agriculture would have some concerns.

I guess the issue is flexibility. Yes, I would like to see more flexibility. Given the constraints and the realities of the system, I would at least like to see it rational at this point at the national level, and if you can direct the Department to be a little more rational in terms of how it comes to the states I am certain we would not object to that.

Mr. GRANDY. Thank you, Mr. Bell. Thank you, Mr. Chairman. Chairman HAWKINS. Mr. Perkins?

Mr. PERKINS. I will pass.

Chairman HAWKINS. Mr. Payne?

Mr. PAYNE. Thank you, Mr. Chairman. I think that, you have indicated on the question of breast feeding it is difficult—I think it is very obvious—also that in third world countries where I worked on this issue quite a bit, that the question of breast feeding is considered not progressive socially: it was not western—it was not what the sociable person was supposed to do.

We find, probably, that some of those same high-powered advertisements from instant baby formula companies using the baby formula as the panacea, rather than—I mean, in lieu of the fact that breast feeding really makes a much healthier baby—are some of the reasons. Which primarily becomes a stigma of, as you mentioned, lack of education.

I would just like to mention that when the WIC program was fully funded in Newark, in my district, we saw a decrease in infant mortality rate.

We had it in accessible places. People knew that it existed. There was a great deal of outreach.

It seems that there has been cutting back and it is not as accessible, and this probably is one of the contributing factors for the increase in infant mortality rate in my city of Newark, New Jersey, is because of the lack and the reduced visibility and outreach for the program.

So I certainly support the program tremendously. As a matter of fact, as you know, we are last in the western world as it relates to infant mortality. As a matter of fact, in the world we are eighteenth or worse in infant mortality. We are eighteenth from the top, and that is a disgrace.

Even worse than that, if you remove the minority community from the figures, the USA stands twenty-eighth in the world for infant mortality in some of the areas. So this program is extremely important.

I visited recently the neonatal intensive care unit at the University of Medicine and Dentistry in Newark. The cost per low weight baby with the equipment that supports that child was in excess of \$300,000.00 per infant, and we had thirty-six infants that day in this unit.

So it seems to me that, as Reverend Jackson would say, if we would invest on the early side we will probably have less cost on the back side of life. That is all I would like to say.

Chairman HAWKINS. Mr. Bartlett?

Mr. BARTLETT. Mr. Chairman, I have a question for Ms. Samad and Mr. Bell.

You heard discussion earlier with Senator Chiles on the prospect of moving toward a one-stop eligibility, at least for income verification.

I note that that is not, at least directly, in your set of recommendations. Is it feasible to achieve either a one-stop eligibility for income verification, or at least fewer stops, and if so, how should we go about it? Mr. Bell?

Mr. BELL. Yes, it is possible. I know in our state, for example, we are working very closely with our Medicaid program and our state is planning to expand Medicaid for pregnant women one hundred

and eighty-five percent, to use as much as possible that income determination as income determination for WIC.

The problem is that in all of the separate authorizations, all of these separate programs, everyone has put in their own little system for determining eligibility. The states are then given this system to try to deal with.

We have been able in our state to try to reduce the number of pages a Medicaid applicant would have to fill out from twenty-four to four, just by going through and trying to simplify the process.

I think that it can be done, but what you have to realize is that you have to go back and look at all of these programs and how they determine eligibility, and if they are all one hundred and eighty-five percent of poverty, and they all use the same standard criteria for what constitutes a household size, and they all constitute the same criteria for how you deal with the pregnant woman—yes, it would be very easy for us to do that.

Mr. BARTLETT. Mr. Bell, let me interrupt you and try to get to where I am—to help the Committee.

We set those standards, this Committee, or at least in Congress. Now, perhaps we sometimes try to deny that we set the standards, but all of those eligibility standards—do not come out of the sky. So you have met the enemy and he is us.

My question is, could we, would it be feasible to set as one of the circuit breaker standards for WIC, that if you are eligible for food stamps or AFDC or Medicaid, at least in terms of income calculations, you are per se eligible for WIC?

Mr. BELL. Yes.

Mr. BARTLETT. Would your organization support this?

Mr. BELL. Yes, we would. I think you can tell.

Mr. BARTLETT. Ms. Samad, I wonder—you had an excellent report on the Research Focus Group on looking at WIC from the bottom up, from the viewpoint of the recipients, and these recipients noted a number of very real barriers including office hours, which we talked about earlier.

What can we do in the Federal law to remove these barriers, these very real barriers, and how should we go about identifying that barrier removal?

You know, we have known about these barriers increasingly for ten years and yet the barriers seem to be getting more serious rather than less serious.

Ms. SAMAD. The working family needs to be able to get their WIC benefits after working hours. There need to be WIC sites open after working hours or on Saturdays.

I do not know how that can be done, because individually each site may be dependent on the hospital's hours or other areas, but that needs to happen so that they are more available.

Mr. BARTLETT. In the country are there WIC case workers who are located in non-WIC offices? Are there WIC case workers who are in employment offices or—

Ms. SAMAD. They are few and far between. They really are. That can be because of the medical component. We do not want that removed. The blood work and all that is necessary, but when that is dependent upon a hospital and the hospital or the clinic is not open in the evenings, then that matters.

That is why I was thinking that an on-site person who is able to do that might facilitate that.

Mr. BARTLETT. This Committee could use some help in the next ninety days, and we may be calling on each of you.

What I would like for you to do is to think about a group of four or five actual workers in WIC who could help walk through with us on how we could remove those barriers and essentially make WIC available to those recipients who are not now participating in the program as a result of many barriers.

If you would think through how, if you were in our shoes, you would implement the elimination of these barriers.

One other question. Mr. Bell, you commented on regulatory requirements that had not been funded in your words of your testimony—regulatory requirements sent to the state and local governments by the feds.

Are you urging us to eliminate or streamline those requirements or to fund them? If you were in our shoes, which would you choose?

Mr. BELL. What we are asking you to do is to eliminate the legislative, in some cases, requirement that generated those regulations and to require the department, when they issue regulations, to look at what the cost of those regulations is to the states and analyze whether or not other regulations that may be outmoded and outdated and cost ineffective could be eliminated in place of that.

We know it is not realistic to say that every regulation that comes out you have to attach money to. I mean, if we set that precedent you guys would be doing that forever and everyone would be begging at the door.

Mr. BARTLETT. The money comes away from nutrition food packages. That is our problem. The money is deleted directly from the cost of purchasing food packages.

Mr. BELL. No, the money is deleted from the cost of seeing the clients. I mean, if we have to fill out more paperwork to meet a regulatory requirement, that nutritionist spends her time with the paper and not with the client, and that is what the problem is.

Mr. BARTLETT. So you would urge us to go through these regulations and to delete statutory requirements for the regulations rather than trying to fund them?

Mr. BELL. That, and require the department to look at them whenever they do issue new regulations, to say, "What will the impact be and can we eliminate some things that we have required that maybe are not useful anymore, are burdensome and cumbersome."

I have cited some examples in my testimony—the kind of thing we have to go through that is really just plain silly.

Mr. BARTLETT. Thank you, Mr. Chairman.

Chairman HAWKINS. Mr. Sawyer?

Mr. SAWYER. Thank you, Mr. Chairman. First of all, Mr. Bell, I want to thank you for your testimony. You have given us a great deal to think about. You have given us some useful recommendations.

I want to touch on a point that arises from your first recommendation, to ask you to comment basically on what we can do in this legislation as it develops to provide states that are already doing a good job in cost containment with additional incentives?

The range of efficiency in delivery of services is very wide across the states. I think we all recognize the importance of giving incentive to those states that need to do better, to continue to do better.

In Ohio, we meet over 60 percent of our eligible population—as compared to the national average of about 43 percent.

How can we continue to encourage states like that, that are doing well, recognizing that each additional increment of improvement becomes progressively more difficult?

Mr. BELL. I would say there are two ways. One, you have to realize that the innovations in the WIC program, the innovations of cost containment, were done not because neither Congress nor the Department was able to provide any incentive to do it.

The incentive was that we could not see enough clients and we had to turn them away, and we said, "How can we better do that?"

I think to the extent that you allow states the flexibility to address that issue, how can we better serve our clients, that states will come up with ways of doing that.

Ohio certainly was extremely innovative in their approach to doing that, and no one gave Tennessee an incentive to start rebating. They did it because of concern. No one gave Oregon an incentive.

What has happened is that, now that it is popular and it has been regulated to death, there is a disincentive for us to get involved in it. I mean, it is so complex and so cumbersome that now I have two fulltime staff just trying to figure out how to get the plan approved by the Department of Agriculture so we can do it. Had I done it two years ago, I would not have had to do that.

So, the incentive is, give us the flexibility to be creative and, at the same time, if we are creative don't come back to us and say, "Okay, everyone, you all march to the same drummer now and you all do it this way" and make it so complicated that you cannot do it.

Chairman HAWKINS. Mr. Smith?

Mr. SMITH. Mr. Bell, along the same lines—thank you, Mr. Chairman—along the same lines, why—if we had to choose between trying to work through a jungle of regulations, sort of running from Washington out, and negotiating each one as opposed to short-circuiting the whole process and making a straight trade with states whose governors, let's say, were willing to sign off on outcomes for flexibility circuit breaker.

In other words, we agree that there will be outcomes in the following twelve categories, or whatever it is, that you believe will pull you toward innovation and community-based delivery of services, the things that I think are the hallmarks of WIC—certainly in Vermont, anyway—and in return for that sign off on the outcomes, it would basically let you run the program the way you want to, in bluntest terms.

Why wouldn't that just be an option for states to take as opposed to trying to run through the jungle and identify every—I mean, that is playing the bureaucratic game on the bureaucratic turf. We are going to lose it, I think. We usually do.

Mr. BELL. I think you are right. Certainly the concept is extremely attractive to states. I think that, speaking from a national perspective, not just from the state of Washington, you want to be

careful with that to make sure that you get the kind of outcomes that you want and that you would hold the states accountable for that. Certainly, I think we would be expected to be.

Anything that could decrease the bureaucratic regulatory burden of a program like this, so that you can spend more time where we all know the money should be put, would be a great service to the program. No question.

Mr. SMITH. Thank you.

Chairman HAWKINS. The Chair would like to again thank the witnesses for their excellent contribution and also to express appreciation to all of those who assembled today to celebrate an anniversary.

Mr. HAYES. I would like to have these witnesses leave here at least with some knowledge that, as a representative of one of the districts where the rate of infant mortality is on the rise, teenage pregnancy is on the rise, poverty is on the rise, I certainly am supportive of this kind of program.

However, I want to warn you, if you had been here yesterday and had witnessed some of the bleeding hearts who opposed their own salary increase—I would have been willing to donate mine to this kind of a program—but some of those people who—we will need your help in the next ninety days, as my colleague Bartlett has said, because some of those people who were most vociferous against salary increases for judges and members of the Congress will be used as an argument to justify that, feeling for the poor.

They are apt to forget it in the next ninety days, when this kind of program for funding comes up, unless we remind them of what they said yesterday. Thank you very much.

Chairman HAWKINS. The Chair will recognize any member who wishes to make any statement. Ms. Lowey?

Ms. LOWEY. Actually, I had a question, but first I want to thank you all for your outstanding testimony.

I am a new member, as you know, and I never thought when I ran as the experienced candidate for Congress that my experience breast feeding my three children would come in so handy.

I do agree with you, Dr. Schiff, in your comment and I would like to pursue it further.

While those of us up here, as you know, strongly support funding, and I personally full funding, for WIC because I think it is absolutely essential, and I think it is an outrage that in our country we can find the money for bombers and missiles and not for babies and children and women—I have a question.

While we are fighting for the money for full funding for WIC, I wonder whether there is some outreach to the corporate sector, to the advertising and to television commercials, to literature, as Major Owens was saying, for breast feeding.

It seems to me that in a country where you have so many people talking about life and family and children, this might be an area where we can focus the attention of the private sector that does want to invest in our children so that they can have literate workers for the twenty-first century.

In New York or in other parts of the country has the private sector been brought into this advertising campaign that we would like to see?

Dr. SCHIFF. My response would be, not to the degree that it should be. I think there is an awareness there.

Certainly, pediatricians and other colleagues have been promoting this for a number of years, but there is a great deal more that needs to be done and we would love to go in that direction and work cooperatively with every kind of segment of our society to advance the incidence and understanding of breast feeding and the advantages of breast feeding.

Mrs. LOWEY. I just had one other question for Ms. Samad. You were talking about the need for a rational implementation of some of these supplementary programs—nutrition education and all the outreach programs that are invaluable in our WIC centers.

I wonder why this has to be regulated, and aren't there centers that can just give nutrition programs while they are distributing WIC, and isn't it creativity upon the centers what could make this possible?

Do we have to get involved in regulating these programs? That part of the program?

Ms. SAMAD. Yes. I think that when the staffs are forced to shuffle papers and not shuffle people, then the amount of time that is available to give nutrition education is very, very limited.

So if it is not mandatory that that be included in the services, then I think that that will be something that will be eliminated.

You talked about national breast feeding promotion. I would like to say that there is only one program that comes on nationally, and that is "Thirty Something", that has even mentioned breast feeding.

We have gotten some very negative breast feeding publicity from the "New York Times", and that has been very unfortunate. They have been doing a run of advertisements for a drug-free America where they have a woman breast feeding and saying that this is how her baby gets her fix—that has been—really, it is a terrible advertisement. We have had a really hard time getting the corporate world involved in breast feeding.

I think that one of the things that helps the confidence—breast feeding is a confidence game, I am sure you know that—the women's movement has been very successful in getting educated, affluent women to breast feed.

However, when you are handed everything else in your life—you are handed food stamps and you are handed WIC and you are handed everything else—it is really hard to be confident enough to breast feed unless you get support from somewhere. I think that WIC is the way to do that with poor women.

Mrs. LOWEY. I have to agree with you, because even more important than that literature or commercials is the personal one-to-one support that is absolutely essential in encouraging a mother to breast feed.

Again, in conclusion, while we are fighting for this money, I hope that together we can figure out a way to reach out to the "thousand points of light" in this area, and may they sparkle ever more brightly in the next year. Thank you.

Chairman HAWKINS. Mr. Poshard?

Mr. POSHARD. Mr. Chairman, forgive me for rising again, but I just would like one other quick question.

I worked very closely in Illinois during the past several years with the Department of Children and Family Services, especially in the area of child abuse.

The people in that agency are now handling on an average, about forty-five child abuse cases per case worker. Their pay is relatively low and they put in a lot of long hours. The morale has just gone downhill during the last several years.

Are we experiencing the same kind of morale problems in the WIC program? Are we?

Ms. SAMAD. Mr. Poshard, if you have got three hundred women—even a hundred women in a waiting area in the summer in a hospital, with no windows—the potential for child abuse is enormous because the mothers are tired, the staff people are tired, we miss lunch, we miss a whole bunch of other things—and, yes, I am going to sock my kid if there is nobody else I can sock.

Mr. POSHARD. So it is equally as important that the flow-through moneys go for the actual food and the nutrition, but it is also important that we have adequate personnel working in these programs. Thank you.

Chairman HAWKINS. If there are no further questions, the hearing is adjourned.

[Whereupon, at 11:58 a.m., the subcommittee was adjourned.]

HEARING ON H.R. 24 EXTENSION OF CHILD NUTRITION AND NATIONAL SCHOOL LUNCH ACTS

TUESDAY, FEBRUARY 28, 1989

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND
VOCATIONAL EDUCATION,
COMMITTEE ON EDUCATION AND LABOR,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:05 a.m., in Room 2175, Rayburn House Office Building, Hon. Augustus F. Hawkins [Chairman] presiding.

Members present: Representatives Martinez, Sawyer, Owens, Payne, Lowey, Poshard, Unsoeld, Goodling, and Gunderson.

Staff present: John Jennings, counsel; Diane Stark, legislative specialist; Beverly Griffin, research assistant; Mary Jane Fiske, professional staff member; and Lynn Selmsler, professional staff member.

Chairman HAWKINS. The Subcommittee on Elementary, and Secondary, Vocational Education is called to order.

This morning the subcommittee will hear testimony regarding the National School Lunch and Breakfast Programs. These programs will be reviewed by subcommittees as part of the reauthorization of expiring Child Nutrition Programs.

The school lunch and breakfast programs are essential to the health of our children. In many children's lives, the meal provided by these programs is the only food that he or she receives all day. Even for children who have adequate food at home, school lunch and breakfast are important nutritional components.

Also, many studies have proven what we have already suspected, that hungry children don't learn. Rich and poor-alike, children need adequate nutrition so that they can do well in school. Today we will hear from a panel of experts who will share with us the importance of these programs and will provide us their suggestions for improvement.

Any amendments to these programs that the subcommittee determines necessary will be incorporated into H.R. 24 which Mr. Goodling and I introduced on January 3rd. The Chair would like at this time to yield to the ranking minority member, Mr. Goodling.

Mr. GOODLING. Thank you, Mr. Chairman. Just a minute to welcome the unsung heroes of the education system. I know firsthand what role you play and how important it is and as I always tell you, make sure that all those people out there know what it is you

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do and how important you are because you make our job easier if you make everybody back home. including your senators and your members of the House of Representatives, know how important you are and what you do and it is easy for us.

So, welcome and we will be happy to hear the testimony and as the chairman indicated, do whatever we can to make sure a good program continues. I am ready for the usual battle that I seem to have to carry on my side of the aisle and I am sure we will carry that well. Thank you, Mr. Chairman.

Chairman HAWKINS. Are there any other members who would like to make a statement at this time? If not, the Chair would like to announce with great pleasure that today the committee is releasing a print entitled, "Child Nutrition Programs, Issues for the 101st Congress."

This document contains information regarding the important role the Child Nutrition Programs play in the academic achievement of children, the necessity of Section 4, funding, and a detailed program background and legislative history.

I certainly want to thank Shirley Watkins and other volunteers from the American School Food Service Association for their assistance in compiling the committee print. Without their help, the print would not have been as complete nor as informative.

At this time, I would like to introduce and ask these witnesses to be seated as the witness table: Ms. Shirley Watkins, President of the American School Food Service Association; Dr. Robert S. McCord, Director of Government Relations, Clark County, Nevada Public Schools; and Mr. Charles Hughes, President of Local 372. The New York City Board of Education Employees.

I certainly welcome the witnesses on behalf of the subcommittee and look forward to your testimony. May I indicate that your prepared statements in their entirety will be printed in the record and the committee would obviously appreciate you giving us the highlights of the testimony so as to leave time for questions and I am sure there will be plenty of them.

The Chair would also like to announce that our lights today will be in operation. We will give the members an opportunity to ask questions and the witnesses to answer and we hope they are not colorblind. We will look at the lights to make sure that we do not exceed the time.

I think we will have an opportunity to come back for a second or third question, but we will try to allocate it in accordance with the number who may be present and there are others who I am sure will be joining us.

Ms. Shirley Watkins, you are the first witness and we welcome you as the first witness and you may proceed.

STATEMENTS OF SHIRLEY WATKINS, PRESIDENT, AMERICAN SCHOOL FOOD SERVICE ASSOCIATION; DR. ROBERT S. MCCORD, DIRECTOR OF GOVERNMENT RELATIONS, CLARK COUNTY, NEVADA PUBLIC SCHOOLS; AND CHARLES HUGHES, PRESIDENT, LOCAL 372, NEW YORK CITY BOARD OF EDUCATION EMPLOYEES

Ms. WATKINS. Thank you. Mr. Chairman. Mr. Goodling, Mr. Ford, and members—I see he hasn't come in quite yet—but in members of the committee, I am Shirley Watkins, president of the American School Food Service Association.

With me this morning is Beverly Lowe and Mary Klatko. Beverly is the president-elect of the Association and Mary is our public policy and legislative chairman.

We appreciate the opportunity to testify this morning and we are particularly grateful to you for scheduling this hearing during our Legislative Action Conference. It has been a pleasure to work with this committee over the years and we look forward to working with you during the 101st Congress.

Let me also express my sincere appreciation for the staff, the very dedicated staff: Jack Jennings, Mary Jane Fiske, Dr. June Harris and Diane Stark. We are appreciative for all of the help that they have given us through the years and we also like to pay a special thanks to you for the committee print.

We think that it is an invaluable document that will provide resource necessary as we talk about the Child Nutrition Program through the years. Mr. Chairman, we would like to make a part of the record our Legislative Issue Paper, our Child Nutrition Principles for 1989, the Section 4 Fact Sheet, Grant General Assistance and Grant-in-Aid, and letters that we have from state directors.

We would like to make all of that a part of the record.

Chairman HAWKINS. Without objection, the documents referred to will be entered in the record following Ms. Watkins' testimony.

Ms. WATKINS. Thank you very much, Mr. Chairman. Mr. Chairman, I recognize that the time is short, but I would like to briefly comment on the budget and anything that I say today would be far inferior to what you and Mr. Goodling have already commented about Section 4.

You have made more eloquent presentations down through the years on the floor of Congress about Section 4 as you championed the debate on H.R. 7. You have provided detailed information through the committee print that adequately justify Section 4. Obviously, CBO information is misleading and it is most unfair.

The Section 4 analysis is being taken totally out of context. Section 4 represents less than ten percent of the child nutrition budget and it is that ten percent, Mr. Chairman, that is the glue that holds the program together. We are talking about \$300 million. CBO's recommendation to the Budget Committee is very narrow and it is a very misleading analysis.

If we are to compete, Mr. Chairman, with Japan, we cannot afford to have hungry children in the classroom. Every child in the elementary school in Japan is eating a free meal. Those children are excelling in the math, in the science area. We can ill-afford to target Section 4 by income category. Three hundred million dollars

is a meager amount for the children of this nation who would not be provided a meal if Section 4 is cut.

We cannot compete with hungry children. They do not learn. Illiterate children cannot produce. There is a vast amount of research floating around now that expresses what we have said for years, "You cannot teach a hungry child. A hungry child will not last through the fifth period."

Our children must have adequate food to be productive. We have also lost, Mr. Chairman, an average of five cents per meal in bonus commodities this year and that is approximately \$200 million. I think you get the picture of what I am saying.

Let's move on to reauthorization. If we are to make improvements in the program, now is the appropriate time. We support the reauthorization of the five programs that expire in 1989: N.E.T, Summer Food Service Program, Commodity Distribution, State Administrative Expense and a special supplemental food program for WIC.

As we talk about reauthorization, Mr. Chairman, it is our hope that this committee will enact several administrative reforms to the program. First and foremost must be the area of nutritional quality. ASFSA has long been a supporter of the USDA/HHS Dietary Guidelines.

The Dietary Guidelines are excellent statements of the nutritional direction for a healthy population. However, it is only a guideline and the recommendations for specific levels of nutrient intake for the subgroups of the population, especially children, is omitted.

It is virtually impossible for school administrators around this country to act as an ad hoc committee to try and express what is needed for children. We request and plead with you that the Congress require a study by USDA and HHS on how to apply those dietary guidelines to children.

We are extremely committed to our children. We don't want to harm children with health issues. We want to make certain that we are doing the proper thing for our children. In keeping with those dietary guidelines, ASFSA supports an amendment deleting the requirement that whole milk be offered as a part of the school lunch program.

As we continue to talk about the quality of programs that are offered in schools, the nutritional center of the school setting, we feel that there needs to be some legislation that would re-establish the authority for the Department of Agriculture to regulate the sale of competitive foods in schools.

USDA had promulgated such regulations, but the U.S. Court of Appeal has ruled that that regulation far exceeds the USDA statutory authority. We believe that a technical amendment in this area could make the Congressional intent clearer and re-establish the authority of the Department of Agriculture to regulate in this area.

We are also real concerned about the problems we are having with the nutrition education in training. ASFSA supports the original concept of 50 cents per child, per year for the purposes of nutrition education. Students need the ongoing training for school food service personnel as well. We are finding ourselves in a real dilemma.

If, in fact, the classroom and nutrition education in the cafeteria is going to be a learning laboratory, it is awfully difficult to do that without adequate funds. The current level of \$5 million per year is simply inadequate and this year, the administration seeks to eliminate those net funds.

Instead, Mr. Chairman, they would like to have more layers of Federal reviews. They had requested that \$6.4 million be appropriated to determine whether we are accurately accounting for meals in the cafeteria. We think that is grossly unfair.

It is a duplication of effort. It is an overlay that gives us more than triple layers of auditing and accounting procedures. It first started out, Mr. Chairman, as sin-free. We call that sinful. While it is now called frizz, we hope that it will fizzle out. We hope that even though this is an appropriation committee function, we feel that the Department has abused its discretion to administer to the program.

It affects policy and we hope that you will see fit to speak to that issue. We have two other issues and that is the School Food Service Management Institute. ASFSA supports the establishment of a School Food Service Management Institute and we also support the reduction of paperwork.

Mr. Chairman, we would also like to enter into the record a letter that was sent to the Honorable Jamie L. Whitten, Chairman of the Committee on Appropriations which fully expresses our concern about the \$6.4 million for additional regulations to audit us.

We also would like to provide you a copy of a letter that was sent to Mr. George Braley, the Deputy Administrator addressing that same problem and a letter sent to Mr. Jack Jennings addressing the paperwork reduction. We would like to place all of these a part of our testimony today and for the record.

Mr. Chairman, thank you very much for allowing us the opportunity to testify this morning and I would be happy to answer any questions that you may have.

[The prepared statement of Shirley Watkins follows:]

TESTIMONY OF
THE AMERICAN SCHOOL FOOD SERVICE ASSOCIATION
BEFORE THE
COMMITTEE ON EDUCATION AND LABOR
UNITED STATES HOUSE OF REPRESENTATIVES
FEBRUARY 28, 1989

Mr. Chairman, Mr. Goodling, Mr. Ford, members of the Committee, I am Shirley Watkins, the President of the American School Food Service Association. We appreciate the opportunity to testify this morning, and are particularly grateful to you for scheduling this hearing during our Legislative Action Conference. It has been a pleasure to work with this Committee over the years and we look forward to working together again in the 101st Congress. Let me also express our appreciation to the Committee's very dedicated staff: Jack Jennings, Mary Jane Fiske, Dr. June Harris, and Diane Stark.

The Budget

Mr. Chairman, before turning to HR 24 and some suggestions that we have on how to improve the National School Lunch Program, we would like to comment on the budget.

We are, needless to say, very gratified by President Bush's child nutrition budget. We commend the President for submitting a child nutrition budget that is consistent with the priority he has placed upon the needs of children.

We look forward to working with the members of this committee in protecting the child nutrition budget as submitted by the President. As you know, the Congressional Budget Office has submitted a list of options to the Congress for reducing the deficit. These options do include a proposal to eliminate Section 4 cash subsidies for non-poor children in child nutrition programs. We trust this option will be rejected by the Congress as it is a step in the wrong direction.

Section 4 subsidies are not transfer payments to individual students, but rather Section 4 is a grant that goes to the school to support the basic structure of the School Lunch Program. The CBO analysis fails to recognize that the School Lunch Program is a nutrition program and an education program intended to meet the nutritional needs of all children, not just poor children.

In addition to the CBO deficit reduction "options", we are concerned over how the "freeze" called for in the budget submitted by President Bush will be implemented. The President is seeking to freeze a large number of non-specified, domestic programs at their 1989 spending level. In describing the freeze, the President states "[T]he freeze is flexible in that it allows some individual programs in the freeze category to be increased while others are reduced. --- Final decisions about whether to increase or decrease specific programs within this freeze category are necessarily to be determined through deliberations and negotiations involving the Administration and Congress."

In short, Mr. Chairman, we are very pleased with President Bush's decision not to seek any specific cuts in child nutrition, but we are not yet out of danger. Given CBO's annual report to the Congress and the competition among domestic programs created by the President's freeze, we believe that constant vigilance is necessary in order to protect the child nutrition programs. We look forward to working with the members of this committee in order to make sure that child nutrition programs continue to be fully funded.

Hungry children do not learn; illiterate children cannot produce; and Section 4 is the backbone of the National School Lunch Program. It is also the backbone of the School Breakfast Program in that schools without a lunch program generally do not participate in the School Breakfast Program.

In October of 1988 candidate George Bush published a paper entitled Invest in Our Children. It stated that "George Bush believes that our national character can be measured by how we care for our children--all of the nation's children--how we invested in them, how they have grown, and what we convey to them. Children embody our respect for ourselves and our future; they reflect our value as a nation and as a people. George Bush will lead a national commitment to invest in our children." With regard to proper nutrition, Invest in Our Children stated that "George Bush will request sufficient funding for important nutrition programs designed to reach young children--such as the School lunch Program, and the Women, Infants, and Children

Program." In our opinion, the Congress should approach child nutrition in a manner that is consistent with Invest in Our Children, and the child nutrition exemption contained in Gramm-Rudman-Hollings.

Program Reauthorizations

Five child nutrition programs expire at the end of this fiscal year: the Nutrition Education Training Program, the Summer Food Service Program for Children, the Commodity Distribution Program, State Administrative Expenses, and the WIC Program. ASFSA supports the reauthorization of all five of these programs as contained in H.R. 24.

Nutritional Quality

In reauthorizing these programs through 1995, it is our hope that the Committee can also enact several administrative reforms of the program. First and foremost must be the area of nutritional quality.

ASFSA has long supported, and continues to endorse the USDA/HHS Dietary Guidelines for Americans. The Dietary Guidelines are an excellent statement of nutritional direction for a healthy population. They do not, however, contain recommendations for specific levels of nutrient intake for subgroups of the population, especially children. It is virtually impossible for local administrators throughout the country to implement the Dietary Guidelines on an ad hoc basis without more specific guidance from the Department in this area.

We request that the Congress require a study by USDA and HHS on how to apply the Dietary Guidelines to children.

In keeping with the Dietary Guidelines, ASFSA supports an amendment deleting the requirement that whole milk be offered as part of the School Lunch Program. Milk would continue to be an integral part of the school lunch meal pattern, but it is not necessary that whole milk specifically be mandated by statute.

Competitive Foods

ASFSA supports legislation that would reestablish the authority of the Department of Agriculture to regulate the sale of competitive foods in schools from the beginning of the school day to the end of the last lunch period. The USDA had promulgated such regulations but the U.S. Court of Appeal has ruled that the regulation exceeded USDA statutory authority.* We believe that a technical amendment in this area could make the Congressional intent clearer, and reestablish the authority of the Department of Agriculture to regulate in this area.

N.E.T.

ASFSA supports the original concept of 50 cents per child, per year for the purposes of nutrition education for students and ongoing training for school food service personnel.

* National Soft Drink Association v. John R. Block, Secretary, 721 F.2d 1348 (D.C. Cir. 1983).

The current level of \$5 million per year is not adequate. This year the Administration is seeking to eliminate N.E.T. and appropriate \$6.4 million to document meal count accuracy. We do not believe this \$6.4 million is necessary as it duplicates existing ongoing programs that are being administered at the state and local level. The \$6.4 million should be transferred to the Nutrition Education and Training budget for a total N.E.T. appropriation of \$11.4 million.

School Food Service Management Institute

ASFSA supports the establishment of a USDA School Food Service Management Institute. The goal of such an Institute would be to assist schools throughout the country in the administration of the School Lunch Program. It would help school food service personnel with menu planning, procurement procedures, financial management, and the implementation of the Dietary Guidelines. In the 1988 appropriation bill, the Congress appropriated \$50,000 for a feasibility study of the Institute and appropriated another \$50,000 in the 1989 bill to further the Institute. We believe we are now ready for an authorization of the Institute as part of the 1990 Child Nutrition Reauthorization Bill.

Conclusion

Mr. Chairman, as you can see, there is much that needs to be done. We would appreciate the Committee making our Legislative Issue Paper a part of the hearing record.

Thank you Mr. Chairman. I'd be happy to answer any questions that you may have.

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American School Food Service Association

1989 Legislative Issue Paper

Invest in Our Children

In October of 1988 candidate George Bush published a paper entitled *Invest in Our Children*. It stated that "George Bush believes that our national character can be measured by how we care for our children—all of the nation's children—how we invest in them, how they grow, and what we convey to them. Children embody our respect for ourselves and our future, they reflect our value as a nation and as a people. George Bush will lead a national commitment to invest in our children." With regard to

proper nutrition, *Invest in Our Children* stated that "George Bush will request sufficient funding for important nutrition programs designed to reach young children—such as the School Lunch Program, and the Women, Infants, and Children Program."

The American School Food Service Association is proud to endorse that commitment and believes the following positions are consistent with that pledge.

GENERAL ASSISTANCE SUPPORT

1. ASFSA strongly supports federal general assistance (Section 4 payments, for all school lunches. We would oppose any reduction in child nutrition support, and in particular any proposal that would eliminate or reduce the cash or commodity support to schools based upon the participation of students with family income above 185 percent of the poverty line. Such a proposal would lower the federal subsidy for approximately one-half of all lunches served nationwide and would therefore jeopardize the existence of the National School Lunch Program.

The National School Lunch Program was established in 1946, after the end of the Second World War. The program is now the largest feeding program in the world, and is credited with being one of the major weapons in the fight against hunger in America. Section 4 is the backbone of the school lunch program.

The Library of Congress has estimated that an elimination of the general assistance subsidy (Section 4 of the National School Lunch Act) would place 43,000 schools, with more than 21 million students, "at risk" of being forced from the National School Lunch Program. Based on the Library of Congress estimate, and ASFSA's surveys, ASFSA believes that from 10,000 to 15,000 schools and 5,000,000 to 8,000,000 children would be forced from the National School Lunch Program if Section 4 and commodities were eliminated.

The federal general assistance provided to schools pursuant to Section 4 of the National School Lunch Act is not a transfer payment to individuals, but is a

grant-in-aid to schools to support the basic infrastructure of the school lunch program. Without this support many school districts could not afford to participate in the National School Lunch Program, thereby depriving all children in the community, including poor children, of the nutritional value of the program.

PROGRAM REAUTHORIZATIONS

2. Five child nutrition programs expire at the end of fiscal year 1989: the Nutrition Education and Training Program, the Summer Food Service Program for Children, the Commodity Distribution Program, State Administrative Expenses and the Special Supplemental Food Program for Women, Infants and Children (WIC). ASFSA supports the reauthorization of all five of these programs.

DIETARY GUIDELINES

3. A. ASFSA supports the USDA/HHS *Dietary Guidelines for Americans* and requests refinement of these guidelines as they relate to children. The *Dietary Guidelines* are an excellent generalized statement of nutritional direction for a healthy population. They do not contain recommendations for specific levels of nutrient intake for subgroups of the population, especially children. Therefore, ASFSA requests that Congress require a study on how to apply the *Dietary Guidelines* to children, including, in particular, sodium, fat, and sugar recommendations.

B. In keeping with the *Dietary Guidelines* ASFSA supports an amendment deleting the requirement

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that whole milk be offered as part of the School Lunch Program.

NUTRITION EDUCATION AND TRAINING PROGRAM (NET)

4. ASFSA supports the original concept of 50 cents per child per year for the purposes of nutrition education for students and ongoing training for school food service personnel. The recent level of \$5 million per year for NET (10 cents per child per year) is not adequate. In FY 1990, ASFSA supports transferring the \$5.2 million appropriated in 1989 for redundant meal count verification to the Nutrition Education and Training Program.

SCHOOL FOOD SERVICE MANAGEMENT INSTITUTE

5. ASFSA supports the establishment of a USDA School Food Service Management Institute. School food service is a \$10 billion to \$13 billion industry. Yet there is little effort made to undergird the programs with research and development.

The goal of the Management Institute is to assist schools throughout the country. A USDA School Food Service Management Institute will assist schools in the use of USDA-donated commodities, menu planning, procurement procedures, financial management, and the implementation of the USDA/HHS Dietary Guidelines.

In 1988 Congress appropriated \$50,000 for a feasibility study of the Institute. After successful completion of the feasibility study, Congress appropriated a second \$50,000 as part of the 1989 appropriation bill to continue the planning of the Institute.

ASFSA believes the School Food Service Management Institute should be authorized as part of the 1989 Child Nutrition Reauthorization Bill.

COMPETITIVE FOODS

6. ASFSA supports legislation that would reestablish the authority of the Department of Agriculture to regulate the sale of competitive foods in schools from the beginning of the school day to the end of the last lunch period. USDA had promulgated such regulations but the U.S. Court of Appeals has ruled that the regulation exceeded USDA's statutory authority.

CHILDREN'S INITIATIVE

7. Section 2 of the National School Lunch Act declares it to be the policy of Congress "to safeguard the health and well-being of the nation's children." In light of this important goal, ASFSA supports full funding for all eligible women, infants and children

in the WIC Program, providing year round meals to low-income children through the Summer Food Service Program for Children and the Child Care Food Program and efforts to expand the School Breakfast Program.

The School Breakfast Program is particularly important to students' nutritional well-being and educational development. According to a recent study, *School Breakfast Program and School Performance*, by Dr. Alan Meyers of Boston University's School of Medicine, "breakfast program participation by low-income children is associated with significant improvement in academic performance."

NUTRITION MONITORING

8. ASFSA supports legislation to establish a comprehensive nutrition monitoring system. The nutrition monitoring activities of USDA and the Department of Health and Human Services need to be coordinated and more timely information obtained. In the 100th Congress, the House and Senate passed S. 1081 but the President did not sign the legislation. ASFSA supports this legislation being enacted in the 101st Congress.

S.A.E. FOR COMMODITY DISTRIBUTION

9. ASFSA supports providing State Administrative Expenses for the Commodity Distribution Program. States currently receive not less than 1 percent and not more than 1.5 percent of the funds provided for school lunch, school breakfast, and the special milk program to operate the program at the state level. ASFSA supports expanding S.A.E. to provide administrative funding for the Commodity Distribution Program. The Commodity Distribution Program is an important part of the federal support for child nutrition and should be included in the S.A.E. formula.

BLOCK GRANT

10. ASFSA opposes any block grant or welfare reform proposal that would incorporate child nutrition programs. These programs are too important to jeopardize with a block grant approach. As President Nixon said to the White House Conference on Food, Nutrition and Health in 1969, "the problem of malnourishment is a national responsibility."

PAPERWORK REDUCTION

11. ASFSA supports a comprehensive review of statutory and regulatory provisions to identify ways to reduce the proliferation of paperwork and administrative burden on state and local agencies administering child nutrition programs.

Prepared by the Public Policy and Legislative Committee, American School Food Service Association.

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American School Food Service Association

Child Nutrition Principles 1989

1. Child nutrition programs are a priority federal initiative.
2. The school lunch program is an integral part of the education day and should be available to all children. General assistance (Section 4, National School Lunch Act, 1946) is a grant-in-aid to schools intended to support the basic infrastructure of the school lunch program for all children; it is not a transfer payment to all individual children.
3. The school breakfast program should be encouraged in all schools—particularly schools in low-income areas where a high percentage of the children receive a free or reduced-price school lunch.
4. Child nutrition programs should apply the *Dietary Guidelines for Americans*. Further, there should be a competitive food policy consistent with the *Dietary Guidelines*.
5. The Special Supplemental Food Program for Women, Infants and Children (WIC), the Summer Food Service Program for Children and the Child Care Food Program should be expanded to reach all who are eligible for the programs.
6. Administrative requirements for school nutrition programs should be consistent with the school environment.
7. Child nutrition programs should be supported with technical assistance, research and training to encourage the efficient operation of high quality, nutritious local programs.
8. The Nutrition Education and Training Program should be supported at the original level of 50 cents per child, per year.
9. The USDA Commodity Distribution Program is an important part of the child nutrition effort and must respond to the needs of recipient agencies as well as to the agricultural purposes of the program.
10. Child nutrition programs should have adequate funding for administration, including the administration of the Commodity Distribution Program.

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American School Food Service Association

Section 4 Fact Sheet

General Assistance Grant-in-Aid

- Section 4 of the National School Lunch Act guarantees to schools throughout the country a reimbursement of approximately 14 cents for each school lunch (paid, reduced-price or free) served consistent with nutrition standards set by USDA. An additional 12 cents is guaranteed in USDA commodities, for a total subsidy of approximately 26 cents per meal.
- In 1981, the per meal school lunch reimbursement was cut by 11 cents, programs were then dropped and some 3,000,000 children were forced from the program. Of those 3,000,000 children, approximately 1,000,000 were poor children who had received a free or reduced-price lunch.
- Any proposal to eliminate Section 4 and commodities for "paid" meals would cut school lunch support by \$525 million. This cut would come on top of the \$200 million reduction in bonus commodities we have experienced since 1987.
- A Library of Congress study indicates that some 44,000 schools with more than 21 million students are "at risk" of dropping out of the National School Lunch Program if the Section 4 reimbursement and commodities were eliminated. ASFSA believes that from 10,000 to 15,000 schools and 5,000,000 to 8,000,000 children would be forced from the program if Section 4 were eliminated.
- The school lunch program is not federally mandated. Schools are encouraged to participate through the Section 4 grant-in-aid and other federal support.
- Section 4 is not a transfer payment to individual children (as are Food Stamps and AFDC) but is a grant-in-aid to schools to support the basic infrastructure of the school lunch program and to encourage schools to participate in the program.
- Approximately 24 million children receive a school lunch each day; half are free or reduced-price lunches.
- Of the \$4.6 billion child nutrition budget (FY '89), \$4.1 billion was transferred from the agricultural trust fund, Section 32 of P.L. 74-320. Section 32 is funded from duties collected on foreign goods and is used to encourage consumption of American agricultural commodities. Only \$500 million was appropriated tax dollars.
- The \$4.6 billion child nutrition budget is highly targeted to help feed poor children. The Section 4 component of the child nutrition budget, while not targeted on student income, supports the program's infrastructure and allows the school lunch program to reach all children including poor children.

Prepared by the Public Policy and Legislative Committee, American School Food Service Association.

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February 23, 1989

Jack Jennings, Counsel
House Education and Labor Committee
8-346 C Rayburn House Office Building
Washington, D. C. 20515

Dear Mr. Jennings:

On behalf of the Public Policy and Legislative Committee of the American School Food Service Association, I am writing to share ideas for paperwork reduction in the school nutrition program. Our understanding is that the House Education and Labor Committee is interested in paperwork reduction during reauthorization.

Our initial recommendations follow:

1. National School Lunch Act, Section 9: Simplify the application process for free and reduced-price meals. Remove the statutory requirement for social security numbers of all adult households. Clarify that an application, including name and signature of an adult member of the household, is not required for AFDC or food stamp beneficiaries, and that the district shall be authorized to automatically certify these if they desire. Direct the Secretary of Agriculture to simplify the documentation required on "income" eligible applications, such as "income by category," name of all "adult household members" as required by 7 CFR Part 245.2 (a-4).
2. National School Lunch Act Section 12 (b); Child Nutrition Act Section 19 (e): Provide for a provision that limits terms of the federal-state agreement (and subsequent state-agency school food authority agreements) to those requirements which have been exposed to public comment; evaluated for paperwork implications; or specifically authorized by statute. Currently, the terms of the agreements include adherence to USDA, FNS instructions and procedures. Public comment is not available on these. They often impose much administrative burden and procedures (USDA national or regional policy memorandum and guidance) may vary between regional offices of the USDA. For example, varying interpretations used by USDA regional offices have generated the following differences between states:
 - In some regions, documentation for the free and reduced applications if missing cannot be filled in by a school official, i.e., total income, number in family, etc.
 - Applications from the previous school year may be authorized by regions for use for varying lengths of time into the new school year until new applications are received.

Mr. Jack Jennings
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February 23, 1989

3. Eliminate the cost criteria for severe needy breakfast reimbursement. There is no cost criteria for severe needy lunch reimbursement. The National School Lunch Act Section 12 (h) prohibits separate cost accounting for lunch and breakfast, yet the Child Nutrition Act, Section 4 (d)(1)(B) requires breakfast cost data as a condition to earning severe need assistance.
4. Reinstate a restrictive hardship provision in the free and reduced-price meal eligibility criteria. We envision this to cover chronic medical hardships, only. Although not directly related to paperwork reduction, the task force members from administrative experience felt strongly about this.
5. Add to the school lunch program a special milk and snack (two component) program for kindergarten, pre-kindergarten, outside-school-hours care, in-school day care (for children of teachers and students), and extended day programs (i.e., weekend, summer). Allow clients of institutions other than school food authorities (non enrollees), otherwise eligible for a child nutrition program to be eligible for reimbursement under school lunch.

For example, currently, if a school offers day care for its students' children as an effort to keep these student parents in school, the school cannot claim meals nor snacks for these children under the existing school nutrition program in the school. Schools cannot claim lunches because the children in day care are not enrolled, however, the children are eligible recipients under the child care food program. Schools cannot claim snacks, even though appropriate for some in-school programs, because snacks are not covered by the school nutrition program even for enrolled children. Many instructional experiences in kindergarten, primary grades, and handicapped services use snacks as a resource.

Where preschool head start children are enrolled in schools, many schools have been forced to drop off the child care food program and forfeit snack reimbursement and only participate in breakfast and/or lunch due to the administrative paperwork of participating in two programs.

6. Authorize school districts to develop and pilot alternative accountability systems that would reduce paperwork associated with counting meals such as use of census data to determine a school's free and reduced profile associated with counting meals; blended reimbursement rates; total meal counts and claiming percentages; etc., in lieu of free and reduced applications and daily counts by each of the three categories of child at the point of service.

Counting meals by category sounds simple, but it is not. Other functions associated with counting by category can be quite burdensome in some schools and costly due to sophisticated equipment and supplies required to facilitate the count.

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Alternatives should be examined which would provide choices of accounting systems for school districts. There are precedents currently in use in child nutrition programs which parallel some of these initial ideas.

7. Eliminate or reduce to a four-year cycle the regulatory requirement for the annual verification of free and reduced-price meal applications. Both USDA's original study and current practice tells us that the procedure is not cost effective, constitutes an administrative burden and is not paralleled by such aggressive action in other federal programs.

We are confused in that Congress originally only authorized a study of meal application verification (P.L. 97-35), and we cannot find where Congress authorized on a permanent basis the process called for now by regulation (7CFR Part 245.6a).

8. Expand the Special Assistance and Reimbursement Alternatives Provisions of Section 11, National School Lunch Act so more schools can qualify. Drop the 80% requirement for Provision I on (paperwork reduction) to 60% (consistent with severe needy lunch reimbursement rates), and allow applications to be valid for three years as in Provision II (universal free).
9. Child Nutrition Act, Section 4, (d)(1)(B): Eliminate from the statute the excessive requirements for a NET state plan. The requirements for NET state plan (\$5 million grant) far exceed requirements for the SAE state plan (\$55 million grant). These requirements are left over from the establishment of NET and are excessive.
10. There appears to be inconsistency between the numerous rates of needy used in both acts to determine program requirements. We only have a recommendation on one (see #8, above) but want to call your attention to the requirements on state agencies to determine the multiple levels of eligibility by school and/or district:
 - 80% - Provision I of Section 11, NSLA. Determines which school food authorities may participate.
 - 60% - Section 4, NSLA. Determines which school food authorities will get safety net or extra reimbursement for lunch.
 - 50% - NSLA, Section 13. Determines site eligibility for universal free summer program.
 - 40% - CNA, Section 4. Determines which school may qualify for severe need breakfast rates of reimbursement

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We will continue to scrutinize the statutes, regulations, federal instructions, guidelines, policy memorandum, and procedures for the purpose of identifying paperwork reduction techniques. Our task force felt a rewrite of the statutes over the next authorization period may be a worthy goal in view of the current program complexities.

Your interest in and support of this endeavor is appreciated. If I or others can be of assistance to you, please do not hesitate to call me at (404) 651-9442.

Thank you.

Sincerely,



Annette Bomar, Chairperson
State Directors and Supervisors Section

AB:kp

cc: Mrs. Shirley Watkins, President
Ms. Beverly Lowe, President Elect
Mrs. Anne Gennings, President Elect, Elect
Mr. Marshall Matz, Counsel
ASFSA Executive Board
ASFSA PP&L Committee
State Directors



February 23, 1989

Mr. George Braley
Deputy Administrator for
Special Nutrition Programs
USDA - FNS
3101 Park Center Drive
Alexandria, Virginia 22302

Dear Mr. Braley:

State agencies and local districts are currently preparing for three months of the Federal Review System (FRS).

States' agencies agree that this initiative is duplicative of federal, state and local audits and reviews being conducted currently under federal regulations and circulars. The Federal Review System is designed to place federal staff in schools for the purpose of performing compliance reviews.

School nutrition programs are currently subject to all of the following:

1. audits of major federal programs under the Single Audit Act using federal program compliance circulars,
2. state reviews every four years of school lunch accountability standards specified in 7 CFR Part 210 including federal assistance in the review as needed,
3. annual state agency paper review of schools' cash collection and meal accountability procedures,
4. reviews by regional FNS office staff when the state is under a USDA management evaluation,
5. reviews conducted by state agencies in follow up to complaints,
6. OIG audit of state agencies and local districts every three years,
7. federal regulations effective July 1, 1989, requiring local and state reviews on meal counting procedures several times annually as needed, and
8. state agency follow-up reviews of local districts and schools after OIG audits; single audits (organization-wide audits); and regulatory local and/or state reviews.

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State agency personnel have grave concerns about how the Federal Review System is proceeding. These concerns include:

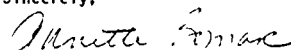
1. State agency Personnel's role in conducting on-site reviews of schools. States are being asked to provide resources to assist in conducting the review and to confirm on-site the findings of federal reviewers. It is our belief that the Federal Review System should stand alone since USDA, FNS has received all the funds to conduct the duplicative reviews. Why are state agencies asked to divert resources from their ongoing responsibilities when FNS has been funded for the FRS?
2. State agency personnel's role in helping USDA prepare for reviews by providing considerable state data to reviewers prior to their visits. What compensation will state agencies receive for these efforts? Does this not suggest duplication of efforts?
3. The broad scope of draft review standards which deviate from the basic standards of meal accountability as originally proposed by USDA, FNS. How will findings on other standards be used? Why, if meal accountability is the primary focus, are standards so much broader?
4. The USDA, FNS's intention to expand scope of reviews where errors are cited. Why is this effort being considered?
5. The failure of USDA, FNS to publicly announce the disallowance procedures it will use to reclaim any program funds. Where specifically lies FNS's authority to impose fiscal sanctions?
6. The additional responsibility assigned state agency personnel to review draft findings of federal review; to recover any funds reclaimed and to conduct on-site follow up to findings generated by the federal reviews. What resources will be provided states to perform these additional tasks?
7. USDA will select at random and on a targeted basis schools to review. State agencies recognize that the conference report of Congress, in addressing the FRS in the Appropriations Bill, calls for random selection. USDA is using FRS to collect data for uses other than that directed by the conference report. Why were all sites not randomly selected? How will targeted school data be used?
8. FNS is anticipated to cite some erroneous findings due to the complexity of the program and their admitted lack of experience in this level of review. Will these refuted findings, which are subject to correction by the district and state agency in the draft, be made available to Congress as refuted findings?

Mr. George Braley
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9. The Federal Review System is, according to the conference report, only a pilot effort to determine the validity of school lunch claims. Why then is it necessary to impose fiscal sanctions against a school reviewed as part of the pilot study?
10. Proposed timeframes have been suggested for issuance of FRS draft reports; state agency and district review of draft findings and response; and issuance of final report with fiscal sanctions. Will the time frames used be official nationally, and will they allow state agencies to discuss findings with Congress prior to FY 90 budget approval?
11. The period of review drives numerical findings and size of fiscal sanctions. What will review period be, and will this be used nationally?
12. To date what training have local and state personnel received as a result of the 2.6 million dollars directed to training in new accurated meal counting and claim procedures? Why has the review focus been accelerated over the training focus?

Your prompt response to our concerns is appreciated.

Sincerely,



Annette Bomar, Chairperson
 State Directors and Supervisors Section

AB:kp

cc: Chairmen, House and Senate
 Budget Committees
 Chairmen, House and Senate
 Appropriations Committees
 Chairman, Senate Agriculture Committee
 Chairman, House Education
 and Labor Committee
 Chief State School Officers
 American School Food Service Association

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Washington

January 30, 1989

The Honorable Jamie L. Whitten
 Chairman
 Committee on Appropriations
 Subcommittee on Rural Development
 Agriculture and Related Agencies
 2362 Rayburn House Office Building
 Washington, D.C. 20515

Attention: Tim Sanders

Re: Child Nutrition

Dear Mr. Chairman:

I am writing on behalf of the American School Food Service Association to call your attention to the provision in the 1990 child nutrition budget that requests \$6.4 million "to develop a system for independent verification of school food service claims." ASFSA does not believe that this program, or appropriation, is necessary as it duplicates existing ongoing programs that are administered at the state and local level.

As you know, the 1989 conference report (Report 100-990) stated that the conferees "expect the Food and Nutrition Service to provide a report to the appropriate committees of Congress on its plan for the independent verification system. No additional funds will be provided until the appropriate committees of Congress have evaluated the effectiveness of the project." FNS has not yet made its report to Congress. We very much appreciated the report language you included in last year's conference report, and look forward to working with your committee on this matter.

On a related issue, the budget does not request any funds for The Nutrition Education and Training Program. ASFSA supports a continuation of the N.E.T. Program and believes that the \$6.4 million requested for the independent verification

The Honorable Jamie L. Whitten
January 30, 1989
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should be combined with last year's N.E.T. appropriation of \$5 million to give the N.E.T. Program a total appropriation of \$11.4 million for fiscal year 1990.

We would appreciate your consideration of our views.
Thank you. With best regards, I am

Sincerely,



Marshall L. Matz
Counsel, American
School Food
Service Association

MLM:jmr
cc: Shirley Watkins
Mary Klatko

95000LtrJLW:255

Chairman HAWKINS. Without objection, the several letters referred to will also be entered in the record at this point. Thank you, Ms. Watkins.

The next witness is Dr. Robert McCord, Director of Government Relations in Clark County, Nevada Public Schools. Dr. McCord.

Dr. McCORD. Thank you, Mr. Chairman and distinguished members of the subcommittee. My name is Bob McCord. I am the director of Government Relations for the Clark County School District.

I am pleased to have the opportunity today to testify before the subcommittee on behalf of the nearly 19,000 members of the American Association of School Administrators and the 105,000 children who attend school in Southern Nevada in the Clark County School District.

My comments today will be limited to three points. First, dealing with the relationship as we see it of the Federal nutrition programs to school success. The second being the impact as we see it of Section 4 on our capacity to deliver those quality nutrition programs and lastly, we would like to speak to several qualitative recommendations that we would like to offer for program improvement.

Let me move first to the nutrition in school success issue. Consensus exists among researchers that undernutrition has a detrimental effect on learning and behavior. Undernourished children are less active. They are less attentive. They are less independent and curious than their well-nourished counterparts.

As the number of children in poverty increases in this country, so does the number of undernourished children. A study of the Carnegie Foundation revealed that over two-thirds of 22,000 teachers surveyed indicated that undernourishment was a problem in their school.

Children who are undernourished are, therefore, denied an equal opportunity to education. For many of those children, the school breakfast and school lunch programs represent their only solid meal during the day. Research evidence is clear and irrefutable, but the intuitive sense of principals and teachers who deal with these children every day has a place in this discussion.

I cannot tell you how many times I personally have come upon as a principal or as a teacher the inattentive or distracted youngster who is underachieving in class and only to find upon questioning and research on that youngster that we find that hunger is a basis to many of the problems that youngster is facing.

I can tell you as an educator that Child Nutrition Programs make a difference in our schools, an important difference. Without the capacity to deliver these programs, we inhibit our efforts to stem the tide of the average student and produce a higher achieving American student body.

As educators, we feel that the discussion should focus on how we can get more participation in these programs, not less, which leads me to Section 4. The continuing discussion of Section 4 in the National School Lunch Program is of concern to us.

Those of us at the AASA and in Clark County School District stand squarely in support of the full reauthorization of Section 4. The Section 4 Grant-in-Aid payment is intended to provide an incentive for our schools to participate. Critics of the Federal support

under Section 4 lose sight of the fact that Section 4 payments are critical to keeping the prices of school lunches down and the participation up.

Without Section 4 support, Clark County would increase its prices probably in the area of a quarter. This would force a significant number of children to stop buying school lunches which would, in turn, force the lunches up in price still more. In 1981, the administration reduced support in Section 4 by some 30 percent.

As a result, according to this committee's own report, the school lunch prices increased nationwide, including those in Clark County, in my county, and students' participation dropped, according to the report, by three million from the area of 26 million to about 23 million students per day. One-third of those youngsters were poor.

In 1985, the American School Food Service Association estimated that if Section 4 were eliminated that some 10-15,000 schools, or five to eight million children, would be forced from the school lunch program. Our estimates indicate that nearly eight to ten thousand of those youngsters would be in Clark County alone.

I will tell you, I come to you with the message as an educator, this is a clearly unacceptable situation. Finally, our points, Mr. Chairman, related to a program improvement which we believe might be beneficial for the improvement of this program are five in number.

The first is the perennial problem of regulatory and paperwork burden of the National School Lunch Program. We continually hear complaints from our fellow superintendents around the country that paperwork associated with this program is burdensome and requires attention.

We would like to suggest for your consideration that you consider the negotiated rule making a process that has proven successful in other recently reauthorized programs as a potentially useful remedy to this situation. In addition, we encourage Congress to include language in the reauthorization that clearly directs the administration to reduce the regulatory and paperwork burden required in operating these programs.

The next two points are very closely related. We have seen a good increase, a substantial increase in latchkey programs and we would like to see, if possible, some provision provided within the act that would allow for feeding of those youngsters in latchkey programs.

I can demonstrate to you that we have presently operational 48 programs in latchkey operation in the Clark County School District, more than half of our schools and the numbers growing every day. It is a long time between lunch and dinner, if dinner ever comes.

The third issue relates to that. We would like to have you consider, the opportunity for us as schools who run lunch programs to release to sponsoring organizations who operate latchkey programs, in those schools the release of those free lunch application information so that we would not have to engage again in reapplication for parents who find many times the applications to be very problematic and difficult.

The fourth item is, as Ms. Watkins indicated, the issue of the National Education and Training Program. We certainly encourage you to support that program because it provides efficiencies in training opportunities for our staff, while providing a meaningful vehicle for the enhancing nutrition education in our schools.

Finally, Mr. Chairman, there exists some promise in Congress that a child care initiative will be enacted. It is our request that significant attention be given to the linkages which exist between that bill and this reauthorization. The two are inextricably interdependent.

Mr. Chairman, I would like to thank you on behalf of AASA and the Clark County School District for the opportunity to share our thoughts today and are happy to answer any questions you might have.

[The prepared statement of Dr. Robert McCord follows:]

TESTIMONY OF
THE AMERICAN ASSOCIATION OF SCHOOL ADMINISTRATORS
ON THE REAUTHORIZATION OF CHILD NUTRITION AND NATIONAL SCHOOL LUNCH ACTS
BEFORE THE
HOUSE SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND VOCATIONAL EDUCATION

PRESENTED BY
ROBERT S. MCCORD, ED D
DIRECTOR, GRANTS ADMINISTRATION AND GOVERNMENT RELATIONS
CLARK COUNTY SCHOOL DISTRICT
LAS VEGAS, NEVADA

FEBRUARY 28, 1989

1-7

Chairman Hawkins and distinguished members of the Subcommittee: My name is Robert S. McCord and I serve as director of Grants Administration and Government Relations for the Clark County School District in Las Vegas, Nevada. I am pleased to have the opportunity to testify before the House Subcommittee on Elementary, Secondary, and Vocational Education on behalf of the nearly 19,000 members of the American Association of School Administrators and the 105,000 students enrolled in the Clark County School District.

My comments will be limited to three main points (1) the relationship of federal nutrition programs to school success; (2) the impact of Section 4 on the capacity of schools to deliver quality nutrition services to students; and (3) some recommendations for improvement of program quality

Nutrition and School Success

The Food Research Action Council (FRAC) and the National Education Association (NEA) recently published a report on the relationship between nutrition and learning. Consensus exists among researchers that undernutrition has a detrimental effect on learning and behavior. Undernourished children are less active, less attentive, and less independent and curious than well-nourished children. In addition, they are more anxious and less responsive socially; they cannot concentrate, and their reading ability, verbal performance, and motor skills suffer.

As the number of children living in poverty grows, the number of undernourished children grows as well. A study by the Carnegie Foundation revealed that over two-thirds of 22,000 teachers surveyed indicated that undernourishment was a

problem in their schools. Children who are undernourished are thereby denied an equal opportunity to learn. For many of these children, school breakfast, where it is available, and school lunch programs offer the only real meals they have during the course of the day.

The research evidence of the Carnegie Report is clear and irrefutable, but the intuitive sense of principals and teachers who deal with children every day has a place in this discussion. I cannot tell you how many times I have seen inattentive, underachieving students whose inability to be successful in school was related to hunger. I can tell you as an educator that child nutrition programs play a vital role in our total school program.

Without the capacity to deliver breakfast, lunch, and special milk programs, we inhibit efforts to stem the growing tide of at-risk students and produce higher achieving American students. Any teacher or school administrator will attest to the fact that these programs make a difference. As educators, we feel that the discussion should be focused on how to get more participation in school nutrition programs, not less.

Section 4

That leads me to the continuing discussion of Section 4 of the National School Lunch Program. AASA and the Clark County School District stand squarely in support of full reauthorization of Section 4 of the Act.

Our district receives \$1.5 million in Section 4 cash and commodity support. Of the 5,864,820 regular lunches we served in 1987-88, 63.7 percent were purchased

at full price, 4.8 percent at a reduced price, and 31.5 percent were provided free. Statewide participation in Nevada is similar percentage-wise.

The Section 4 grant-in-aid payment is intended to provide an incentive for schools to participate in the National School Lunch Program. Although the program is not mandatory, 90 percent of all schools do participate. Critics of the federal support under Section 4 lose sight of the fact that Section 4 payments are critical to keeping prices of school lunches down and participation up. This price control ensures participation by middle-income children necessary to keep programs operating, thereby enabling all children to be sufficiently nourished so they can be attentive at school.

Without Section 4 support, Clark County would have to increase the price of lunch by at least 24 to 26 cents. This could force a significant number of children to stop buying school lunches, which would, in turn, force lunch prices up still more. In Nevada, a decrease of 25 to 30 percent student participation would result. A direct relationship has been shown to exist between the size of the Section 4 reimbursement and total student participation in the program.

In 1981, the administration reduced support of Section 4 by 30 percent. As a result, according to the committee's own report, school lunch prices increased nationwide, including in Clark County, and student participation dropped from 26 million children to 23 million children per day. About one-third of those were poor.

At that time, Clark County dropped to high school participation. In all fairness, I must add that there were other reasons to discontinue high school

participation, unique to Clark County. These include: (1) the number of students enrolled in work study programs; (2) the rapid growth we are experiencing in our district; (3) the number of students who go to school very early or very late in the day--we have combined two high school populations into single high schools and have been open very early in the morning until late in the evening so we could conduct asbestos abatement; (4) the rapid emergence of fast food establishments around any new high school we open, and (5) the tastes of high school students. We do, however, offer a self-sustaining full lunch program for all students. This is possible because of the large enrollment at all of our high schools.

If Section 4 payments were withdrawn, we would probably have to compromise our menus. We would probably not discontinue the program but other school districts who do not share our growing financial base would be forced to do so, especially those with a high percentage of students who pay the full price and a low percentage of free and reduced-price lunches. Nevada estimates that a minimum of 88 schools would be eliminated from the lunch program and 50 from the breakfast program. Over 3000 children would lose access to free and reduced price meals.

In 1985 the American Food Service Association estimated that if Section 4 were eliminated, 10-15,000 schools, or 5 to 8 million children, would be forced from the school lunch program. Our estimates indicate that nearly 10,000 of those children would be in Clark County alone. This figure includes both students who receive full and reduced-priced lunches and those who pay full price who would be unable to pay the increased price of meals.

Qualitative Recommendations

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Finally, Mr. Chairman, we bring to you some suggestions we view as potentially beneficial to the Act.

1. The regulatory and paperwork burden of the National School Lunch Program is diverting resources from program operations. As an example, in Clark County, we employ as many as three staff members to verify applications. While verification is necessary, it is disquieting that we must devote so much resource to moving paper, rather than serving children. Although our cooperation with the state agency in Nevada is excellent, we continually hear complaints from district superintendents that the paperwork associated with the operation of this program requires attention.

Negotiated rulemaking, a process which has proven so successful in recently authorized education programs, would potentially provide a useful remedy. In addition, we encourage Congress to include language in the reauthorization which clearly directs the administration to reduce the regulatory and paperwork burden required to operate school nutrition programs.

2. We believe the Special Milk Program should be extended to after-school/latchkey programs which are experiencing dramatic growth nationwide. Children grow rapidly and are hungry after school--a long time before they have dinner, if they have it at all. In Clark County alone, we have 48 latchkey programs now in operation--more than 50 percent of our elementary schools now participate, with more planning to participate in the immediate future.

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3. We ask you to allow schools to release information on eligibility of children for free milk to sponsoring organizations which offer latchkey programs in the same location where school lunches are provided to those children. This information release would serve to determine eligibility without having parents duplicate program applications, which are difficult enough to complete the first time--especially by limited English-speaking parents or those with limited education.
4. We ask you to fully fund the Nutrition Education and Training Program (NET). Doing so would allow for a broad range of efficiencies and training improvements to be applied to the program, while serving as a meaningful vehicle for enhancing nutrition education in the schools.
5. Finally, there exists some promise that Congress will enact a significant child care initiative. It is our request that significant attention be given to the linkages which must exist between that bill and this reauthorization. The two are inextricably interdependent.

Thank you, Mr. Chairman and members of the Subcommittee, for conducting this hearing and allowing this testimony.

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Chairman HAWKINS. Thank you, Dr. McCord. The next witness is Mr. Charles Hughes, President of Local 372, the New York City Board of Education Employees. I believe the committee heard from you before, and we are delighted that you have returned.

Mr. HUGHES. Thank you. I just want to depart from my prepared speech and say to you, Mr. Chairman, and certainly to Mr. Goodling and all of the other distinguished members on this subcommittee, that I am sure the former chairman of this subcommittee, Mr. Carl Perkins, is looking down from heaven and saying to you two gentlemen that you are carrying on some good work for those children that God feels so strongly about and I wanted to say that before I started on my prepared testimony.

I would like to say good morning to you, Mr. Chairman, distinguished members of the subcommittee. It is, indeed, an honor to appear before you this morning. My name is Charles Hughes and I am the chairperson of the American Federation of State, County, and Municipal Employees School Advisory Committee which represents 150,000 members throughout this great country of ours.

I am also the president of Local 372 of the Board of Education Employees, District Council 37, New York City. Our union members staff the nation's largest school lunch programs in terms of both student participation and employees. On an average day, our members serve about 700,000 breakfasts and lunches.

It is always a privilege for me to testify before this subcommittee and during the several years that I have done so, I have been moved by your sensitivity and commitment to our nation's children and more particularly, by your steadfast support of child nutrition and the National School Lunch and Breakfast Program.

As you know, these programs have had major impacts on enhancing our children's ability to thrive in school and consequently, to improve the quality of their lives. AFSCME has staunchly supported the School Lunch Program since its inception. We worked with you as you strove to develop that program and the newer School Breakfast Program into major bulwarks protecting the school children of our nation against the ravage of hunger and malnutrition.

During the past eight years we have offered and given our support as you were forced to deal with the Reagan Administration's draconian proposals which were intended to gut these programs. Now, Mr. Chairman, I would like to turn our attention to President Bush's fiscal year budget or 1990 proposal for the school feeding and child nutrition programs.

I fear that we cannot relax, relieved that the threats of the last eight years are over. The real figures in the Bush proposal have been exposed. We have laid bare the President's claim that his budget would make significant strides toward a kinder, gentler nation and have revealed its true purpose—to balance the nation's budget on the backs of those who can least afford it: the poor, the homeless, and the hungry.

The Center on Budget and Policy Priorities' analysis of the Bush budget found that it requires \$21 billion in domestic cuts. It is within this context that we must consider the President's proposal to fully fund, at the "current services" level, both the School Lunch and Breakfast Programs.

While I commend the President for rejecting any cuts in these vital programs, I am deeply concerned that child nutrition programs, in general, and school feeding programs in particular, will be put back on the budget bargaining table in an attempt to meet the overall domestic spending cuts that the President has proposed.

I need not remind you of the devastating impact that the 1982 cuts had on these programs. After an 11 percent reduction in the Federal subsidy for school meals, over 2,000 schools and three million school children dropped out of the School Lunch Program and 650 schools dropped the School Breakfast Program, denying access to nutritious breakfast to more than a half million children.

As someone who works in the School Lunch and Breakfast Programs every day, I can assure you that they have been cut too much already and that additional funding is needed. There is no place for hungry children in a "kinder, gentler" America. Together we must fight to defeat any attempt to further curtail school feeding programs.

The proposal to eliminate the 26 and 1/4 cent cash and commodity subsidy for meals served to children in the School Lunch, Breakfast and Child Care Food Programs whose family income exceeds 185 percent of the poverty index (\$21,553 for a family of four) is not dead in the water.

First recommended by President Reagan, this proposal recently reappeared in the Congressional Budget Office (CBO) report to the House and Senate Budget Committees on options to reduce the deficit. Further cuts in these programs are not only unwarranted, they are dangerous. Without access to free school meals, can we honestly expect poor children to compete successfully with their better-fed classmates?

While parents and educators have always known that hungry children do not learn, the interrelationship between good nutrition and a child's ability to achieve in the educational setting has been well-documented only recently. According to the study released by the National Educational Association and the Food Research and Action Center entitled "The Relationship Between Nutrition and Learning," a child suffering from undernutrition is less physically active, less attentive and less able to concentrate. Hence, reading ability, verbal skills and motor skills suffer.

In another recent report, Dr. Alan Meyers of the Boston City Hospital and Amy Sampson of the Tufts University School of Nutrition studied the effects on classroom performance of serving a breakfast to over 1,000 low-income students in Lawrence, Massachusetts when none had been provided previously.

Their findings demonstrate that the School Breakfast Program is associated with significant improvements in academic performance, absenteeism, and tardiness among high-risk elementary school children living at or near poverty. Mr. Chairman, an increase in Federal commitment to the National School Breakfast Program is essential if we ever hope to eradicate hunger and improve the educational performance of our nation's children.

To do this, I believe, we should be looking at the expansion of the School Breakfast Program. Eating breakfast at school translates into significant improvement in achievement test scores. It translates into children moving ahead each June from grade to grade

rather than being left back to repeat a year at added cost to the school district and to the child's future.

While 90 percent of our nation's children offered a school lunch program, only one-third of these schools also have a school breakfast program. While ten and a half million children eat a free lunch in school, only three million children eat a free breakfast in school before starting class.

Surely one must ask, how many of these low-income children who receive a free lunch, but not a free breakfast, come to school having eaten a nutritious breakfast at home? The answer, I fear, is very few. We cannot sit back and accept those low participation rates. For too many of our children, the school lunch and breakfast offer the only daily hope for a hot and nutritious meal.

Department of Agriculture studies show that poor children depend upon these meals for half of their daily nutrient intake. Between October and December of 1987, AFSCME and the New York Board of Education conducted a major campaign to expand the school breakfast program. The successful undertaking increased participation in the program by more than 25,000.

We now serve over 143,000 breakfasts to New York City's school children every day, but still our work is far from complete. Our school breakfast program serves only one-fourth as many meals as our school lunch programs. We know that the need is there.

At many of our schools which participate in the School Breakfast Programs, children literally form "break lines" each morning as they hungrily wait for their breakfasts. For many it is the first meal they have had since the school lunch they ate the day before.

Because of your active support, the Federal reimbursement rate for the School Breakfast Program will be increased by three cents a meal on July 1, 1989 as a result of the passage of the Hunger Prevention Act of 1988. This should encourage more schools to establish a breakfast program.

However, there is more that can be done to ensure a higher participation rate. I would recommend that we include Federal funds for start-up costs. This would enable schools to increase their kitchen capacity in order to offer the program. More importantly, we must actively promote the program and its benefits in school systems around the country.

Outreach funds should be provided to assist communities in making the decision to initiate a School Breakfast Program. These monies would be used to educate parents, teachers and school officials about the value of the program. To encourage state-level involvement, I recommend that each state's Department of Education be required to set a yearly numerical target for increasing the number of schools serving breakfasts in their annual state plans of operation.

The USDA regional office should also be required to promote the School Breakfast Program by offering technical assistance to schools to help states meet their targets. Mr. Chairman, I would like to take this opportunity to talk to you about a proposal which is under consideration in New York City, which I believe could have a major impact on the quality of School Lunch and Breakfast Programs.

It is called "Proposal to Revise and Improve School Meals." PRISM outlines a program which, if implemented, would ultimately expand free school meals in the New York City school system to all schools. Presently, I am proposing that the New York City Board of Education test it in a few pilot school districts.

I am going to skip the rest of it, Mr. Chairman, and ask that my testimony that you have received be entered into the record and, finally, I urge the committee to pass H.R. 24 which would reauthorize the five child nutrition programs. These programs are crucially important to our nation's children and we are ready to assist you in any way we can to make these programs protected.

Mr. Chairman and members of the subcommittee, children are the key to our future and these Child Nutrition Programs are the key to their nutritional and educational passage into the future.

I thank you for allowing me to appear before you this morning. I would be happy to answer any questions and assisting me in that will be Mr. Thomas Jennings, Assistant Division Director and Ms. Marge Allen from AFSCME who is our legislative representative. Thank you so very much and may God bless all of you.

[The prepared statement of Charles Hughes follows:]



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TESTIMONY OF

CHARLES HUGHES

PRESIDENT OF LOCAL 372 DISTRICT COUNCIL 37

**AMERICAN FEDERATION OF STATE, COUNTY AND
MUNICIPAL EMPLOYEES**

before the

**SUBCOMMITTEE ON ELEMENTARY, SECONDARY AND
VOCATIONAL EDUCATION**

COMMITTEE ON EDUCATION AND LABOR

U.S. HOUSE OF REPRESENTATIVES

on

CHILD NUTRITION PROGRAMS

FEBRUARY 28, 1989

 **in the public service**

Good morning Mr. Chairman and distinguished members of the Subcommittee. It is indeed an honor to appear before you this morning.

My name is Charles Hughes. I am the Chairperson of the American Federation of State, County and Municipal Employees School Advisory Committee, which represents 150,000 members.

I am also President of Local 372, Board of Education Employees, District Council 37, in New York City. Our union members staff the nation's largest school lunch program in terms of both student participation and employees. On an average day, our members serve about 700,000 breakfasts and lunches.

It is always a privilege for me to testify before this Subcommittee. During the several years that I have done so, I have been moved by your sensitivity and commitment to our nation's children, and more particularly, by your steadfast support of child nutrition and the National School Lunch and Breakfast Programs. As you know, these programs have a major impact on enhancing our children's ability to thrive in school and consequently to improve the quality of their lives.

AFSCME has staunchly supported the School Lunch Program since its inception. We worked with you as you strove to develop

that program and the newer School Breakfast Program into major bulwarks protecting the school children of our nation against the ravages of hunger and malnutrition. During the past eight years we have offered and given our support as you were forced to deal with the Reagan Administration's draconian proposals which were intended to gut these programs.

Now, Mr. Chairman, I would like to turn our attention to President Bush's Fiscal Year (FY) budget proposal for the school feeding and child nutrition programs. I fear that we cannot relax, relieved that the threats of the last eight years are over. The real figures in the Bush proposal have been exposed. We have laid bare the President's claim that his budget would make significant strides toward a kinder, gentler nation and have revealed its true purpose -- to balance the nation's budget on the backs of those who can least afford it: the poor, the homeless, the hungry. The Center on Budget and Policy Priorities' analysis of the Bush budget found that it requires \$21 billion in domestic spending cuts.

It is within this context that we must consider the President's proposal to fully fund, at the "current services" level, both the School Lunch and Breakfast Programs. While I commend the President for rejecting any cuts in these vital programs, I am deeply concerned that child nutrition programs in general, and school feeding programs in particular, will be put

back on the budget bargaining table in an attempt to meet the overall domestic spending cuts that the President has proposed. I need not remind you of the devastating impact that the 1982 cuts had on these programs. After an 11% reduction in the federal subsidy for school meals over 2000 schools and 3 million children dropped out of the School Lunch Program and 650 schools dropped the School Breakfast Program, denying access to a nutritious breakfast to more than a half million children. As someone who works in the School Lunch and Breakfast programs everyday, I can assure you that they have been cut too much already and that additional funding is needed. There is no place for hungry children in a "kinder, gentler" America.

Together we must fight to defeat any attempt to further curtail school feeding programs. The proposal to eliminate the 26 and 1/4 cent cash and commodity subsidy for meals served to children in the School Lunch, School Breakfast and Child Care Food Programs whose family incomes exceed 185% of poverty (\$21,553 for a family of four) is not dead in the water yet. First recommended by President Reagan, this proposal recently reappeared in the Congressional Budget Office (CBO) report to the House and Senate Budget Committees on options to reduce the deficit. Further cuts in these programs are not only unwarranted, they are dangerous. Without access to free school meals, can we honestly expect poor children to compete successfully with their better fed classmates?

While parents and educators have always known that hungry children do not learn, the interrelationship between good nutrition and a child's ability to achieve in the educational setting has been well documented only recently. According to a study released by the National Education Association and the Food Research and Action Center entitled "The Relationship Between Nutrition and Learning," a child suffering from undernutrition is less physically active, less attentive and less able to concentrate. Hence reading ability, verbal skills and motor skills suffer.

In another recent report, Dr. Alan Meyers of Boston City Hospital and Amy Sampson of the Tufts University School of Nutrition studied the effects on classroom performance of serving a school breakfast to over 1000 low-income students in Lawrence, Massachusetts when none had been provided previously. Their findings demonstrate that School Breakfast Participation is associated with significant improvements in academic performance, absenteeism, and tardiness among high-risk elementary school children living at or near poverty.

Mr. Chairman, an increased federal commitment to the National School Breakfast Program is essential if we ever hope to eradicate hunger and improve the educational performance of our nation's children. To do this, I believe, we should be looking at the expansion of the School Breakfast Program. Eating breakfast

at school translates into significant improvement in achievement test scores. It translates into children moving ahead each June from grade to grade rather than being left back to repeat a year at an added cost to the school district and to the child's future.

While 90% of our nation's schools offer a school lunch program, only one third of these schools also have a school breakfast program. While 10 and a half million children eat a free lunch in school, only 3 million children eat a free breakfast in school before starting class. Surely one must ask, how many of these low-income children, who receive a free lunch, but, not a free breakfast, come to school having eaten a nutritious breakfast at home? The answer, I fear, is very few.

We cannot sit back and accept these low participation rates. For far too many of our children, the school lunch and breakfast offer the only daily hope for hot, nutritious meals. Department of Agriculture studies show that poor children depend on these meals for half of their daily nutrient intake.

Between October and December 1987, AFSCME and the New York City Board of Education conducted a major campaign to expand the school breakfast program. This successful undertaking increased participation in the program by more than 25,000. We now serve over 143,000 breakfasts to New York City's school children

everyday. But still our work is far from complete. Our school breakfast program serves only one-fourth as many meals as our school lunch program. We know that the need is there. At many of our schools which participate in the School Breakfast Program, children literally form "bread lines" each morning as they hungrily wait for their breakfasts. For many it is the first meal they have had since the school lunch they ate the day before.

Because of your active support, the federal reimbursement rate for the School Breakfast Program will be increased by 3 cents a meal on July 1, 1989 as a result of the passage of the Hunger Prevention Act of 1988. This should encourage more schools to establish breakfast program. However, there is more that can be done to insure a higher participation rate. I would recommend that we include federal funds for start up costs. This would enable schools to increase their kitchen capacity in order to offer the program.

More importantly, we must actively promote the program and its benefits in school systems around the country. Outreach funds should be provided to assist communities in making the decision to initiate a School Breakfast Program. These monies would be used to educate parents, teachers and school officials about the value of the program. To encourage state-level involvement, I recommend that the each state's Department of

Education be required to set a yearly numerical target for increasing the number of schools serving school breakfasts in their annual state plans of operation. The USDA regional offices should also be required to promote the School Breakfast Program by offering technical assistance to schools to help states meet their targets.

Mr. Chairman, I would like to take this opportunity to tell you about a proposal which is under consideration in New York City, which I believe could have a major impact on the quality of our School Lunch and Breakfast Programs. It is called "Proposal to Revise and Improve School Meals" (PRISM). PRISM outlines a program which, if implemented, would ultimately expand free school meals in the New York City school system to all schools. Presently, we are proposing that the New York City Board of Education test it in a few pilot school districts.

PRISM would serve free meals to all students in participating schools. It would eliminate the need to ask students for identification every day and it would eliminate the school district's need to collect and document student's income annually. Documentation would be required every three years instead of yearly. During the entire proceeding three years, the school would receive reimbursement based on the percentage of free, reduced and paid meals that were documented at the outset. The benefits of PRISM are twofold. First, it provides school

meals at no cost to students regardless of their classification in the free, reduced or paid categories. By eliminating any possibility for overt identification of students in the cafeteria, we will achieve a higher participation by needy students. Second, by reducing the documentation required to comply with the National School Breakfast and Lunch programs, principals, teachers and staff can devote more time and attention to the instructional needs of our students.

PRISM is not an unattainable dream. It is a reality in several school districts in Georgia and in some parochial schools in the Archdiocese of Brooklyn right here in my own city. PRISM is most appropriate in schools that have a high proportion of students eligible for free or reduced price meals. This also serves the students who need a nutritious meal the most. If implemented in New York City, PRISM can serve as a model for other school systems which have a high percentage of poor students.

Finally, I urge the Committee to pass H.R. 24, which would reauthorize five child nutrition programs. These programs are crucially important to our nation's children. We are ready to assist you in any way we can to make sure these programs are protected. Mr. Chairman and members of the Subcommittee, children are the key to our future and these child nutrition programs are the key to their nutritional and educational passage

into that future.

Thank you for allowing me to appear before you this morning.
I would be happy to answer any questions you have.

Chairman HAWKINS. Thank you, Mr. Hughes. Ms. Watkins, the Chair would like to address a question to you about what seems to be somewhat of a discrepancy, perhaps a misunderstanding. I think there is somewhat of a conflict of views between your testimony and that of Mr. Hughes and also the understanding of the chairman of this committee.

Both the Bush and the House Budget Committee documents seem to say that means tested entitlements in the Child Nutrition Programs are not proposed to be cut, but as you know, the Reagan budget did propose to cut Section 4 payments above the poverty level.

I am wondering whether or not in making the statement that you made on the first page of your testimony in which you are commending the President for submitting a child nutrition budget that is consistent with the priority he has placed upon the needs of children, if you have some assurance that apparently we don't have, or at least the Chair doesn't have, and whether or not we can rely on such assurance that there is no danger of any cuts being made.

Mr. Hughes seem to suggest otherwise, but perhaps you have better information.

Ms. WATKINS. No, Mr. Chairman, I don't have better information. The only thing that we have is that we are not "in the black box." We are not certain what the budget implications are at this point. We would hope that the President lives up to his intent and his commitment to be the education president and his commitment to invest in our children.

The concern that we had was in the CBO report. That is our real concern. No, we don't have any better information than you have. We don't think that we are out of the woods. We think that there will be a lot of negotiating on our programs and where we will fit in that negotiation is unclear at this point.

Chairman HAWKINS. Well, your statement seemed to have been rather specific that you were commending the President on something which we are not so clear about.

Ms. WATKINS. We commended the President—

Chairman HAWKINS. I am not trying to in anyway undermine the President's ambition, but it just seemed to me that we have sort of a slim assurance being bantered about and that might have the tendency to influence some of us to rest easy and to not be alert. So, your statement is more or less a hope being expressed—

Ms. WATKINS. Yes, Mr. Chairman, we certainly don't want you to sit laid back. We want you to move as aggressively as possible and we would hope this committee would move as aggressively as possible because we don't think we are out of the woods at this point. It is not over until the fat lady sings.

[Laughter]

Chairman HAWKINS. Well, I assure you that we will move aggressively, but we need others to move with us.

Ms. WATKINS. We will give you all of the support that you need in the grass roots effort to make that happen. We appreciate your support, Mr. Chairman, and the members of this illustrious committee.

Chairman HAWKINS. Well, thank you very much. Mr. Goodling?

Mr. GOODLING. If we do our job, of course, than your statement will be right, because it is only we who can do anything about the budget and about the authorization and about the appropriation just as we did in 1981 and '82 and I wasn't a part of the majority that was able to pass the legislation and the budget cuts, et cetera, that were passed at that particular time.

Now, the politics is behind us and I will get on with a couple of questions that I have. Could you tell me what the national average cost for preparing a lunch is at the present time and the average charge to the student throughout the country?

Ms. WATKINS. The average charge right now, Mr. Goodling, is in the neighborhood of a dollar and that fluctuates depending on where you are in the country and what the problems are in those areas of the country and the other question that you ask?

Mr. GOODLING. Average cost to prepare a meal throughout the country.

Mr. WATKINS. Average cost would run around a dollar thirty.

Mr. GOODLING. I would ask Dr. McCord, couldn't you take the lead with the school administrators and with ASFSA to solve the competitive food problem? Is that something we really have to do? Isn't that something that an administrator can use here and there.

Can't you lead the administrators to see the light rather than say that there is some kind of Federal involvement that should really step in and do it all?

Dr. McCORD. Mr. Goodling, your question is a fair question. I am good; I am not that good, unfortunately.

Mr. GOODLING. What do you do in your district?

Dr. McCORD. What do I do in my district?

Mr. GOODLING. Yes, about the competitive food issue. How is it handled in your district?

Dr. McCORD. Well, the Board has a policy concerning that and the policy is consistent with the Department's obligations. I think, though, the—

Mr. GOODLING. That is not what you want, though, as far as the Department's obligations are concerned. I want to know how influential you have been with that school board to—

Dr. McCORD. I would tell you among ASFSA members representing a good number of the superintendents around this country, you will find an increasing interest in doing just what you ask.

Mr. GOODLING. You are just meeting the bare requirements now in your district as far as national—

Dr. McCORD. That is correct. I would not characterize it as other, but I will tell you that I think that there is a growing consciousness in the part of school administrators, particularly among superintendents and certainly among all of these folks out here who run those school lunch and breakfast programs, that is an area we need to address.

I would report to you that from our own Federal policy committee, there has been increasing interest on the part of the association to stand tall on that issue. I see a positive potential at the end of the tunnel. I will tell you, the issue that you brought out very clearly is the revenue.

We do not have all of the money to run our schools that we need. There are many revenue sources. I guess we need to look very carefully at what our choices are, revenue sources on that. Mr. Goodling, I have got to tell you, I have a good deal of sympathy for what you say.

Mr. GOODLING. Mr. Hughes, I don't have a question, just to say that I participated in your lunch program. I know how important your lunch and your breakfast program is. I have contacted Mr. Darnen before we began our budget work. I serve on the budget committee talking about the importance of Section 4.

I contacted Mr. Yeutter and told him the same. We will see Mr. Yeutter again this afternoon as he comes before the budget committee. When we come back the next round, I have three more questions I want to ask Ms. Watkins. We can probably take one more.

I understand that you talked a little bit about the auditors falling over each other and getting in your road, I was wondering whether you could work with us and with USDA to try to establish some single audit system that would perhaps make everyone happy instead of having them fall all over each other.

I hate to see a lot of additional money—if state and local governments are doing the job, taking from scarce resources from the Federal level and put it into more auditors coming in.

Ms. WATKINS. Mr. Goodling, we could not agree with you more and we would be delighted to work with you in that effort.

Mr. GOODLING. Thank you. I have some others when we get around the second time, Mr. Chairman.

Chairman HAWKINS. Since you are so outnumbered, we will be very liberal with your time.

[Laughter]

Chairman HAWKINS. Quantity-wise, not quality necessarily.

Mr. GOODLING. Thank you. I would have been happier if you wouldn't have put the "not necessarily" on the end.

[Laughter]

Mr. GOODLING. Could you give me an estimate of what percentage of your overall cost is attributable to food, labor, and what I will call, other cost: equipment, utilities, paper goods, et cetera?

Ms. WATKINS. Mr. Goodling, I would love to give you that information, but I could only speak in terms of what is having in Memphis City Schools where I am director of Food Services. We do not have that information available.

That is the kind of information we would have access to if we had the Management Institute that we have asked for, but we do not have that information. We would be glad to pull that out once we have the Management Institute in place.

Mr. GOODLING. You are sure that that Management Institute won't repeat what has been done elsewhere. When my staff used to go to the Institute in the summer at Penn State, they came down with all sorts of great ideas of what they are going to get our youngsters to eat in that area. It didn't work.

Ms. WATKINS. I cannot assure you what it is not or what it is going to be, but ASFSFA would certainly like to be the watchdog to make certain that it does meet the mission, the goals, and the objectives which we have established. We would like to make certain

that it does happen and it does meet the intent of providing good technical assistance and research so that we would have the kind of information available.

It is unfortunate that all of the monies that are available and that are being provided for operational of the Child Nutrition Program, there is no research available. It is unfortunate that we don't have adequate technical assistance.

Just think of McDonald's with only ten thousand restaurants around this country and look at the volume of schools that are around this country and we are sitting here running one of the largest operations in the nation serving children without adequate training and without adequate research to do what we know to do best.

Mr. GOODLING. I would assume that the state directors have all these percentages that I am asking about.

Ms. WATKINS. The state directors would have those percentages and we would be glad to provide that information, I guess, from that source. They would have some of it, but they may not have all of it, because some of that information is not required to be submitted to state Departments of Education.

Mr. GOODLING. In question number three that I would ask we adjust the rates each July 1st to reflect recent changes in the consumer price index for food away from home, I am wondering if these rates are truly reflective of the economics of the school feeding program or if they weighted in some other direction.

Ms. WATKINS. We have to say that we are having difficulty trying to work within that framework.

Mr. GOODLING. In the last four or five years, where is your greatest increase as you see it in the cost?

Ms. WATKINS. Well, our cost has been the greatest in both food and labor.

Mr. GOODLING. Okay, let me just finish then by saying that, you can preach to the choir up here about Section 4, but don't forget what I said before. You all have two senators, and you all have representatives; you better tell them because we are little short numbered up here in relationship to the forces on the floor of the House.

So, do your job while you are here and when you go home.

Chairman HAWKINS. Thank you. Mr. Martinez.

Mr. MARTINEZ. Thank you, Mr. Chairman. Before I ask a question, I have to be political like Mr. Goodling was. Mr. Goodling, the lack of representation on that side isn't an indication that they are not in support of the reauthorization?

Mr. GOODLING. Will the gentlemen yield?

Mr. MARTINEZ. Yes.

Mr. GOODLING. They think that they have a dictator when it comes to school lunches and child nutrition on this side of the aisle and so they think it is a waste of their time, I guess.

Mr. MARTINEZ. Good. I appreciate that. We talk about our hope for the present administration, and I do have hope. I think Mr. Bush is sincere when he talks about a kinder and gentler America. And I hope that your expectations for this program and the things that we can do to make it better are not too optimistic, that they really come about.

The problem that I have is that in the past we have seen people make political statements, aimed at winning friends and influencing people for that vote: But they are really very hollow. I remember one that was made by the past administration that we have to provide a job opportunity of work for every individual that wants it so that each can have pride in himself or herself and confidence in the future.

He said, But he also said let the beggars work for less. I hope this doesn't turn out to be an administration that says "we have to be a kinder and gentler American, we want to be President of Education, and we need to be a kinder and gentler American," but then says "say, let the beggars go without food so that they can learn."

Truthfully I have great hope for this administration. I visited several school lunch programs during the District work period. I was very impressed—very impressed by the efficiency of the programs. I talked to the children at the lunches, after the lunches. A couple of the schools had a board up to list students' favorite meals. They had them ranked and, of course, pizza day was number one.

I don't know whether pizza is that nutritional, to tell you the truth. At the meal that I had with them in each case was very nutritional, and I think it was very beneficial. When I asked the children questions, there were some children there that I wouldn't term poor. But when we think of, as the present administration is, of eliminating the non-poor, we don't stop and think that just because a person may be classified non-poor because of the income level of the family, because both man and wife are working, that that is not the only consideration.

Since in many of these families, the man and wife do work, the kids do without because of their parents busy schedule. I think it is more important to think about the needs of the child of that ultimate goal of learning. I would rather see that those children classified non-poor get good nutrition too. After all, they do pay some—and that does help those who pay very little or are completely subsidized.

So, I think that is important. But how do we get that message across to so many of those that think only in terms of cost efficiency, only in terms of how we can reduce the budget deficit at the expense of these children.

I think what Mr. Goodling was saying in his closing statement was that we need your help to get that message across to a lot of these people that are not convinced yet. Can you tell me if you and your organizations have plans to really go on a wholesale lobbying effort to make them understand and realize how important this is to young people?

Ms. WATKINS. We do have and we have six hundred people here today with us who are all over the Hill. We are going to be like fleas; we are going to be all over them.

[Laughter]

Mr. MARTINEZ. Have you made sure that you have made a hit list of those legislators that need to be hit the hardest and the most often?

Ms. WATKINS. We have targeted. We use that word, I guess it is a pretty common word around the Hill now. We have targeted specific people that we think needs some special help in understanding the program. We think that this is the pivotal year and we are going to pivot and we are going to work to make certain at the grass roots level, that Focus 435 is in action and we are going to do our best and it is our commitment to you to provide you all the help and the support you need to do your job when it comes time to vote.

Mr. MARTINEZ. Thank you. Thank you, Mr. Chairman.

Chairman HAWKINS. Mr. Poshard.

Mr. POSHARD. Yes, thank you, Mr. Chairman, ladies and gentlemen of the committee. I noted that you folks are suggesting that the \$6.4 million currently in the budget for another apparent level of meal counts is duplicative in nature, that we have enough local and state testing at this point in time to ascertain whether or not the meal counts are accurate and you folks are doing your job.

You are advocating that we move the 6.4 million over into the N.E.T. program to essentially bring up the cost per pupil from about ten cents now per pupil to twenty some odd cents per pupil was originally conceived to be fifty cents per pupil for that nutrition education training as I remember.

I am interested in the N.E.T. program and I would like to know if this can be done, if this amount of money can be transferred over and I certainly think that it should be. What would you accomplish with the twenty cents per pupil expenditure that you are not able to accomplish with the current ten cents per level?

Let me ask you this. How do you carry on the N.E.T. programs now? Are they standardized across the country? Do you allow each state Department of Education to conduct those programs in the way that they see best fit for their particular school districts?

Is this in-service training for food service personnel? I mean, it is peculiar to those folks only or do you actually go into the classroom and talk to the students? Do you have any amount of parental involvement which I think is an overwhelming need in this area?

A lot of the young teenage pregnant mothers have no idea whatsoever about what constitutes appropriate nutritional education for their children. How are you utilizing the funds that are there now and what will you do with the additional 6.4 million should that be successfully transferred over?

Sorry, I am covering a waterfront, but I am interested.

Ms. WATKINS. Mr. Poshard, you ask wonderful questions and it is all of the above. I say that because state Departments of Education implement the programs in a variety of ways just as you enumerated. They do provide in-service training not only for food service employees, but they implement in-service for cafeteria cooks in the back of the house as well as the managers, in-service training for teachers, parent involvement programs, student involvement programs, parents are the target in a lot of the N.E.T. programs.

They also provide curriculum information, but without adequate funding, many of the states are unable to provide the quality of nutrition, education and training information for school districts and our state, as an example, we have many grants that are offered and they only have \$50,000 for mini grants.

Needless to say, that is inadequate in a small state like Tennessee. If we apply, being the largest school district in the state, applied for a mini grant, the maximum I can reach would be ten schools and that certainly is inadequate in a school district that has a 150 schools. So, I am not scratching the surface with nutrition, education and training.

Mr. POSHARD. Pardon me for interrupting then. Each state has—sorry, Mr. Chairman, for rising a second time here, but each state has a competitive grant basis for local school districts accessing these funds?

Ms. WATKINS. They have a variety of ways that they access the funds. It is the state's option as to how they develop the nutrition, education, and training program. Many of them choose the mini grant route, some of them choose to have training programs for food service employees at a local college or university.

Some of them have an in-service program that may be in various sections of the state. Some of them provide a nutrition, education and training program for children or it may be one just for teachers, so there are a variety of mechanisms in place out there, but needless to say, they are inadequate, justifiably with the amount of money that is available.

Mr. POSHARD. Thank you.

Ms. WATKINS. Thank you.

Chairman HAWKINS. Mr. Payne.

Mr. PAYNE. Thank you very much, Mr. Chairman. I do not have any specific question to the panel. I would simply like to indicate that I certainly support child nutrition and school lunch programs.

I think that especially in deprived areas whether they are urban or rural parts of our country, nutrition is extremely important for the growth and the development of a person as we all know and if we are going to win the war against—the war on literacy, the whole question of a total person, we, I think, should, in fact, not only continue what we have, but expand the program.

So, I simply would also indicate that go see those less kinder and gentler people who don't support your program, but I would also like to reiterate what the chairman said, that the remarks are a part of the record and when you do commend the President for his position and his budget, I think we need to hold off on that commendation until we find out for sure that it is in concert with what we need. Thank you, Mr. Chairman.

Chairman HAWKINS. Mr. Owens.

Mr. OWENS. Yes, Mr. Chairman. Unfortunately, I didn't hear all of the testimony because I had to go upstairs to a mark-up for a very important bill, the parental leave bill, but I did read the testimony.

I want to congratulate the witnesses and, of course, I think this committee is very much in harmony with the testimony. I do want to note the fact that a person who is well-known to the committee, Mr. Charles Hughes, of New York City is back again and want to congratulate him on the tremendous job he does as an advocate for this program and the leadership that he offers to the members of his union.

They don't consider themselves just to be workers of the food services; they are sensitized to the broader mission of the schools

on education and that is mostly due to the leadership of Charles Hughes and I want to congratulate him on that and, again, welcome him here before the committee.

There is just one item that I wanted to question Mr. Hughes about. The figures are coming heavy every day and I was shocked to see that now the Center on Budget and Policy Priorities announce that the Bush budget requires \$21 billion in domestic spending cuts. Could you elaborate on it? Is that a misprint or typo? Every day I am astounded by the figures.

This morning's paper says now the Savings and Loan Association swindle is now up to a need for \$154 billion. You know, every day they keep jumping and now I hear that that great budget message that the President gave us a couple of weeks ago shrouded, hid the fact that \$21 billion of domestic spending cuts are required? Can you elaborate on that?

Mr. HUGHES. First of all, Mr. Owens, I am very pleased to know that you are with us. I do want to state here that right now the way our research, both legislatively and from the figuring point of view, have reviewed and looked at this proposed budget and it is up in the air and I think by the time it drops down, it is doing to drop down on distinguished persons like yourselves to protect those programs that have been so vital to the needs of this country and nutrition programs being one of the centerpieces of that.

So, we believe that the figures will fluctuate from day to day until the final budget has been finalized. That is why we have lobbies here today to talk to, not only those that we are leery about but to re-enforce our friends that when you make the decision to help us, that we are prepared to help you in terms of whatever difficulties that you might overcome.

I would like to respond to the training piece and you talk about the figures being up in the air. There are a lot of technical changes being asked of the various programs throughout this country and not enough money has been appropriated for it. For example, this union asked me, Local 372, District Council 37, to spend some \$15-30 thousand every summer to print leaflets in various languages, whether that be Spanish, whether they be French, whether that be other languages that the student population consists of in New York.

Originally, the Agriculture Department allowed for the school lunch programs to have an outreach program, to tell what the medium 185 percent of the poverty rates are all about. They don't allow that anymore which means that some other entity has to come in and to offset that, to let the community know, the parents know what is available because, after all, it is their tax dollars, but somehow or another, we are being restricted within the House in terms of money that has been appropriated from the Federal Government for this program to have that kind of outreach.

Our summer program has increased every year. As you now, we had gotten the state legislature of the state of New York and, of course, you were a part of that in those days to get a mandated breakfast programs in the five major cities in the state of New York because we knew then that excellency and education was tied directly to the kind of nutrition that goes into a child's body.

We did an experimental program in District 20, which is the middle-class district, and that is why I am so concerned about everyone knocking off the middle-class and those who just made it to participate. It creates all kinds of divisions and tensions. Well, enough tension in this country between the poor, the rich, the have and the have nots.

Why should be institute in an education system, a division of the House, because children are very sensitive. They understand who can and who cannot, so when we eliminate the paid and the reduced piece and have an impact—what we are saying to America, we don't care, that we don't want people together.

So, back to your question about how our figures change from day to day. Well, I think someone said last night, some senator said that when his daughter finished praying, he says, good bye, God, I am coming to Washington. So, he said when he got here and started to deal in terms of what was coming down from the top, he doesn't know whether God is here or not.

I try to re-establish that this morning with the kind of soldiers such as yourself and others who are on this board that God has sent his disciples to take care of those who cannot take care of themselves, and I think eventually when you are finished, there will be some true figures coming from that budget.

Mr. OWENS. Mr. Chairman, our time is up. Our new Mr. Hughes will use it well.

[Laughter]

Chairman HAWKINS. Ms. Unsoeld.

Ms. UNSOELD. I have no questions. Thank you, Mr. Chairman.

Chairman HAWKINS. Thank you.

Ms. UNSOELD. It has been very, very interesting. I appreciate the remarks of the witnesses.

Chairman HAWKINS. Ms. Lowey.

Mrs. LOWEY. Thank you, Mr. Chairman. I want to thank the panel for your outstanding testimony and I feel as if you are speaking to the committed and I just want to tell you all in the audience, you can just wave at us here and then go speak to those in Congress that you really have to convince and I believe that the message has to be to everyone that these programs are more cost-effective.

We were talking about the budget deficit and we have to convince people that if we are investing in breakfast programs and lunch programs and prenatal care and child care and good nutrition outreach programs that we really are going to save money in the long run and I hope that is the message that you get out today to our fellow Congress persons.

I do have one question. In the late '70s and the early '80s, I was very much involved in establishing demonstration breakfast and lunch programs. We had an excellent one. Mr. Hughes probably remembers in Huntington and there were several in Manhattan whereby we were using the food subsidies, the basic products and training people in the neighborhood, and training people in our kitchens.

We were talking about pizza before. I want to tell you what pizza on whole wheat bread with a homemade sauce is outstanding and those homemade peanut butter cookies were outstanding. I am par-

ticularly interested in the nutritional aspects and I think that is another way to sell these programs, focusing on the amounts of sugar, salts and fats in our program and it is more cost-effective.

We found in an analysis of the programs in Huntington and some in Manhattan that the price per lunch was less than that the kitchen was purchasing from vendors, so I think that is very important. My question to Mr. Hughes and Ms. Watkins is, where are those programs today? Are they widespread? Perhaps you can tell me in the metropolitan New York region which you are most familiar, Mr. Hughes or Ms. Watkins with the area that you are most familiar with, have these programs multiplied, are they still in just a few schools because I think that is a tremendous selling point and I would like to encourage funding for those kinds of programs.

Mr. HUGHES. If I might, as you noted in my testimony, we are serving now about a 143,000 breakfasts a day which is a considerable increase from before. The difficulties we had was getting the schools open and we overcame that, but I think what you and your colleagues have to do is to have some sort of mandate that there be funds set aside to have outreach for parental involvement because that has an impact, not just on the nutritional aspect, but we are talking about excellency in education and these two cannot live without the other.

There has to be parental involvement. I believe with some assistance from this great Congress that we will be able to have as many breakfasts within the next five to six years per day as we have lunches because what people must understand that with the work force and its changing participants and fundamentally and majority, they are women who needs to have day care, who needs to make sure that Johnny or Jane is getting a proper, nutritious well-balanced meal, will cause this nation and as you may or may not know, the National PTA along with the Food Research and Action Center—I believe last year or year before, we had a press conference to ask the parents throughout this country to make sure that they encourage their neighbors, their organizations to participate in the breakfast programs so that they will know what is available.

I like when I go down to Florida, for example, and I go there quite often for various union meetings, that they have printed in the daily newspaper the lunch menu and certain stations carry it. I see that Major Owens is laughing because of Florida, but gee, you know, I got a little tan and we go down and take care of little business too and when I am there observing a school lunch program and those are some of the things I think we can do to expand that program, certainly in New York City and in that metropolitan area.

Mrs. LOWEY. Ms. Watkins, to what extent are the school lunch programs you are involved with focused on nutritional lunches, pizzas on whole wheat breads and getting rid of sugars and salts? I would be interested in your comments.

Ms. WATKINS. I appreciate you asking that question because not only in my school district, but schools around this country have been focusing for many years now on meeting the intent of the dietary guidelines. We are all concerned about the issue of fat and

sodium, sugar and reducing those levels in our school lunch programs and breakfast programs.

There is a tremendous amount of work going on in that area. Schools have all types of strategies that are being implemented to do just what you said, serve pizza on whole wheat bread, offering salad bars, letting parents know what the nutritional content of the meal for both breakfast and lunch is and that information is being provided to parents.

We are very much aware that it is critical that we do everything possible to provide good quality meals in the reduction of sugar, fat and salt, but as I said earlier, we are very cautious because we do not want to do any damage or harm to children and we hope that the Congress will see fit to request a study on what nutrient levels should be required for children in meeting the intent of the dietary guidelines.

While we are out there doing all kinds of things, we do not want to harm the majority of the children who are in good health. We heard a pediatrician this week tell us that the level of fat should be between 30 and 40 percent. We are getting mixed signals all around and we want to make certain that we are doing what is right and what is best for the children.

Mrs. LOWEY. Just to pursue that for one more moment because the budget is so tight. If you were given a choice as to where to allocate the funds, I just want to make sure I am understanding you correctly, you are saying that monies still should be focused on the studies.

You don't think there are sufficient—there isn't sufficient evidence out there so that you can go forward in your design of your program, the lunch program?

Ms. WATKINS. We don't want to be out here doing a variety of different things across this country and jeopardizing the health of children. What is good for one child may not be necessary for what is good for the masses of the children and those are the children that we have to make certain that we are preparing meals for.

We think that we need the guidance and the direction on how to implement the dietary guideline as it relates to children. The nutritional analysis of meals comes easy for us to do. It is very easy for us to ask that you reduce and that you come up with some kind of a law that would prohibit us from having to offer whole milk if it is not necessary.

We don't mind having it available, but we don't want to have to offer it to every child if we are wanting to reduce fat. We think it is necessary that we have that information available.

Mrs. LOWEY. Thank you.

Ms. WATKINS. Thank you.

Chairman HAWKINS. Mr. Sawyer?

Mr. SAWYER. Thank you, Mr. Chairman. I don't have questions. Like Mr. Owens, I too was involved in the mark-up of another important bill before another subcommittee of this body. I just want to take this moment to thank you and the panel that has assembled here this morning for bringing us and the message that hungry children do not learn as well as they otherwise could. Thank you, Mr. Chairman.

Chairman HAWKINS. Thank you. Mr. Smith? Mr. Goodling?

Mr. GOODLING. I have two quick questions. How much would the Institute need as far as authorization is concerned and what priority does it get keeping in mind that all of us serving on the budget committee think that our committee is the most important in the Congress of the United States and our things should take top priority?

Ms. WATKINS. Mr. Goodling, we place that pretty high on our priority list and I guess if I start numbering them, I think we have got that numbered number two in our priority and we had \$50,000 already appropriated this year in 1989 and we understand that money is being held up and we would just like for that money to be released. It is already appropriated for us to do the strategy.

Mr. GOODLING. The second question: Wouldn't it be better perhaps to concentrate all of our nest money on the elementary level?

Ms. WATKINS. I think we would be less likely to say yes to that because we think nutrition education information is invaluable to all children. We would not like to target even though we feel that you start with children at an early age and provide them the nutrition information necessary to make them aware, but we cannot omit the fact that we have teenage pregnancy running rampant.

We have adolescent boys who need information. Teenagers need the information just like our elementary children. Athletes need information on nutrition. We think that nutrition education should be interwoven into every curriculum aspect.

We don't think that nutrition should be taught as a separate course. We think that it should be interwoven throughout that curriculum benefitting all children as our program benefits all children.

Mr. HUGHES. Mr. Chairman?

Chairman HAWKINS. Mr. Hughes.

Mr. HUGHES. Mr. Goodling, as I stated before, you have been a magnificent human being, both you and Mr. Hawkins on this issue of nutrition. As we report to you in 1982, we talked about a uniform approach in terms of the necessities and the ravaging that this program has taken.

Right now we are talking about restoration, bringing it back and expanding it a little bit so that our people can get the best possible services from this program because quality education and excellence in education is attached to that. When I talked from the red clay of Georgia to Lookout Mountain in Tennessee to the Big Vanilla in Ellenville, New York and the Golden Shores of California in my travels as a chairperson of this school, I mentioned your name as one of those who was strong enough when you had the majority and stood there in behalf of youngsters throughout this country.

So, this union has been rather reluctant to talk about priorities in the sense of the whole child because what part of a child is more important to the full potential of that child is a very difficult question to answer. Thank you so very much.

Mr. GOODLING. Thank you.

Chairman HAWKINS. Mr. Gunderson?

Mr. GUNDERSON. Thank you, Mr. Chairman. I only have one question and it is not going to come as a surprise to anyone. I have got to ask Shirley Watkins, are you people serious? You are about

to lose all of your membership in Wisconsin if you are serious that even offering whole milk as an option is something you recommend. You don't mandate whole milk.

Ms. WATKINS. Mr. Gunderson—

Mr. GUNDERSON. You may want to stand.

[Laughter]

Ms. WATKINS. I did have to move upon the edge of my seat. I hope I don't fall out of this chair as I try to answer that question. We think that whole milk will still be a part of our child nutrition program.

Mr. GUNDERSON. It is not so. That is why we mandated it last reauthorization because most schools don't offer it unless you require it.

Ms. WATKINS. Well, it is there and we are saying that it would still be an integral part of the program. We are just saying to mandate offering whole milk is in direct conflict with the dietary guidelines if we are going to reduce the level of fat that children are consuming.

Mr. GUNDERSON. How about exercise?

Ms. WATKINS. That is important.

Mr. GUNDERSON. Exercise eliminates any fat that I have ever consumed as a child.

Ms. WATKINS. I just hope that you will look at that as a viable option and we do appreciate your support.

Mr. GUNDERSON. I just can not wait until I publicize what you just said in Wisconsin. You had better plan a few trips there because I have got to tell you, you have got problems.

Ms. WATKINS. Well, we would hope that our membership and you would look at that and let's see if that is something that we can work on together. We certainly would like to work with you in discussing it.

Mr. GUNDERSON. Well, this is not a threat, but I have got to tell you, if you are going to attack the whole milk, you have lost my support. It is that important to us and you decide.

Ms. WATKINS. Mr. Gunderson, we appreciate you and we appreciate your support and we are going to work with you to make certain that we provide whatever is necessary for children. I recognize what your concern is and that is the children in this country and if you feel very strongly about it, I am sure you and the American School Food Service Association and our Wisconsin affiliates can work together.

Mr. GUNDERSON. All right, we will look forward to that. Thank you.

Chairman HAWKINS. If there are no further questions, the Chair would commend the witnesses. Ms. Watkins, I noticed that there are several seated at the table who have not been introduced and identified.

Are there any others that you would like to identify?

Ms. WATKINS. Mr. Chairman, we did introduce the president-elect, Beverly Lowe, who is from Hampton, Virginia and we introduced Mary Klatko and I guess I was so soft-spoken when I started in the sheer fright as I sit here, you may not have heard me. I whisper sometimes.

Mary Klatko is our chairman for our public policy and legislative committee.

Chairman HAWKINS. The names will be entered in the record as being present and I assume supporting the proposed statement that you gave.

Again the Chair would thank the witnesses and that concludes the hearing of the subcommittee.

Ms. WATKINS. Thank you very much, Mr. Chairman.

[Whereupon, at 11:30 a.m., the subcommittee was adjourned.]

[Additional material submitted for the record follows.]



STATEMENT BY HONORABLE NICK J. RALL, II
HEARING, FEBRUARY 28, 1989, COMMITTEE ON EDUCATION AND LABOR
ON THE NATIONAL SCHOOL LUNCH AND BREAKFAST PROGRAMS

Mr Chairman, I am pleased to be here this morning, and I welcome the witnesses who are present to testify on behalf of the National School Lunch and Breakfast Programs.

Of major concern to all of us this morning is the proposal that Section 4 funding for the so called "paying child" be eliminated from the budget, a loss of nearly a billion dollars. I am aware that preliminary scrutiny of the Bush budget appears to leave section 4 intact, although the Reagan budget would have eliminated this crucial funding for the school lunch program.

While I hope our interpretation of the Bush budget is correct with respect to Section 4 funding, I am also aware that between now and any final action on a budget resolution that reduces the deficit, negotiations could lead to either a reduction in funding for school lunch and other child nutrition programs, or worse, removal of the protection those programs now enjoy under Gramm-Rudman.

Also of concern to me, Mr Chairman, is the double audit being imposed by the USDA on the school lunch program, with very little in the way of documented fraud or abuse to back up the charges that some states are double counting in order to receive increased per-meal reimbursements for lunches served.

I am pleased to say that we have in West Virginia one of the best computerized accountability systems in the country when it comes to accurate counting of numbers of children served, and I am confident that in our State as in many others every conceivable effort is made to report fair and honest counts of these children. I commend the Chairman for his intention to correct this additional burdensome audit procedure.

Later on this week we will hear witnesses testify on the need to expand the WIC program to provide nourishment for women who are pregnant, and for their young children. This program is vital to my southern West Virginia district. Currently only about 9,300 participants are being served, which is approximately one-third of the estimated need. The ability to serve only one third of those eligible for WIC benefits is unconscionable, Mr Chairman, and I will work with you and other members of this Committee in whatever ways open to us to improve on those numbers.

Thank you Mr Chairman



CALIFORNIA STATE DEPARTMENT OF EDUCATION

Bill Honig

721 Capitol Mall P.O. Box 944272

Superintendent

Sacramento, CA 94244 2720

of Public Instruction

February 22, 1989

Honorable Augustus F. Hawkins
 2371 Rayburn House Office Building
 Washington, D.C. 20515-0529

Dear Gus:

As you begin to consider the reauthorization of the Child Nutrition Act of 1966 and the National School Lunch Act, I would like to share my concerns and recommendations with you. As you know, there is a growing consciousness of the importance of good health and good nutrition in the learning process. The National School Lunch Program, the School Breakfast Program, the Child Care Food Program, and the Donated Food Program contribute immeasurably to this end. Good nutrition is critically important to the health and well being of our young. These programs offer millions of children the opportunity to eat nutritious foods and learn healthy, life-long eating habits.

California, as you know, has the largest child nutrition program in the country. Over 90 percent of the public schools participate in the National School Lunch Program. Each day, nearly 1.9 million lunches are served to children who represent 43 percent of the average daily attendance in public schools. Nearly two-thirds of the students who eat school lunch are eligible for free or reduced price meals. In the Child Care Food Program, nearly 600 child care centers and 15,000 day care homes served approximately 86 million meals and supplements last year. In child care centers, 74 percent of the meals are served to children from low-income families. (Comparable data for day care homes is not available.)

Federal assistance for all child nutrition programs in California exceeded \$463 million last year. In addition, the California legislature appropriates \$41 million to supplement the school lunch and child care programs. Clearly, we could not have sustained a program of this magnitude without your unequivocal support. Thank you for your support. I would like to share with you a number of important recommendations intended to improve the operation and reduce the burdensome paperwork in nutrition programs. Following are my suggestions in priority order for your consideration. A more detailed summary of each issue is attached.

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Programmatic Issues

- o SECTION 4 FUNDING: Do not reduce Section 4 funding as proposed by former President Reagan. These funds are the financial foundation of the National School Lunch Program. If eliminated, children will suffer nutritionally and in overall health status since programs will close.
- o WHOLE MILK: Repeal the mandate to serve whole milk and return to the requirement to offer only lowfat forms of milk in the National School Lunch Program. Requiring whole milk was a major setback to national efforts to improve people's health status through dietary intake.
- o DIETARY GUIDELINES AND RESEARCH: Develop quantitative dietary guidelines for children and require research on the impact of diet on children. Better guidance to food service personnel, parents, and teachers will ensure more healthful and nutritionally sound diets for our children.
- o CHILD ADVOCACY: Require agencies other than USDA to participate in decisions affecting child health and nutrition issues. The Secretary of Agriculture is mainly concerned with agricultural matters. A potential conflict of interest could be avoided by involving the Secretary of Health and Human Services and others on decisions affecting children.
- o COMMODITIES PROCESSING: Require ingredient and nutrient labeling for all processed commodities. Local food service personnel will be able to evaluate individual food products as they relate to U.S. dietary guidelines.
- o PAYMENTS TO PROGRAM AGENCIES: Develop an exception payment mechanism so that local agencies are reimbursed within 90 days for meals served when inadvertent human errors occur in claims processing. Program sponsors are not reimbursed timely for valid meals served to children in this case. Financial hardships may result.
- o NUTRITION EDUCATION AND TRAINING (NET): Fund the Nutrition Education Program at the statutory rate of \$0.50 per child. Fundamental change in diet and nutrition awareness will not occur without investing money for nutrition related staff development activities.

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- o **SANITATION AND SAFETY TRAINING:** Require and fund sanitation and safety training for food handlers in schools and child care agencies. The potential for serious illness to children will be drastically reduced if people who handle food are trained.

Paperwork Reduction Issues

- o **NATIONAL SCHOOL LUNCH: THE SNACK:** Authorize a snack in the National School Lunch Program in order to eliminate the need for duplicative participation in the Child Care Food Program for schools to operating both programs.
- o **EFFECTIVE DATES OF REGULATIONS:** Require regulations developed by USDA to be effective at the beginning of the school year.
- o **ELIGIBILITY:** Streamline eligibility requirements for free and reduced price meals by eliminating social security numbers and source of income.
- o **CIVIL RIGHTS DATA:** Eliminate the requirement to collect duplicative racial and ethnic data for the National School Lunch Program.
- o **VERIFICATION:** Conduct a national study to determine the cost benefit of verification procedures and eliminate the requirement if it is not cost effective.
- o **REGULATIONS:** Convene a group to propose specific reductions in regulations for nutrition programs.

Thank you for considering my viewpoints on these important issues. As you know, there is a positive relationship between nutrition and the physical, educational, and social well-being of our Nation's children. Well fed children are healthier, have a more positive outlook, and their learning is improved. We cannot let the needs of administrators to control and regulate these programs overshadow the nutritional needs of children.

Burdensome regulations and inadequate funding will force many schools to close, drastically reduce their food service operations, or to focus on paperwork rather than serving nutritious meals. Additional commodities, as proposed by the President, will not compensate for the proposed reduction in cash which is needed to pay for food service employees' salaries, electricity bills, and other necessary program operating expenses. In the end, a price will be extracted from our nation's children.

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When you hold Congressional hearings on the reauthorization of the Child Nutrition Act of 1966 and the National School Lunch Act, we are keenly interested in testifying on the issues raised in this letter or on other issues of interest to you. When appropriate, I would be happy to discuss nutrition and other issues with you at your convenience. Please feel free to call me at (916) 445-4338 or Robert Agee, my Deputy Superintendent for Field Services, at (916) 324-5923.

Best regards,

B.H.

Bill Honig

Attachment

SUMMARY OF MAJOR ISSUES
FOR
REAUTHORIZATIONProgrammatic Issues

SECTION 4 FUNDING: Funds provided by Section 4 are the foundation upon which the financial base of the school lunch program is built. As you know, this provision has come under attack several times in recent years. It is critical to the viability of the school lunch program that these funds remain intact.

Section 4 currently provides a reimbursement of \$.14 cents per meal for each meal served, including free and reduced price meals. In California, we received \$52.8 million from Section 4 in Fiscal Year 1987-88 as a result of serving two million meals per day. Withdrawal of these funds, as has been proposed, will inevitably result in higher prices for meals. Higher prices will drive down participation, i.e., students will not purchase lunches. The resulting downward spiral in reduced revenues will place an unbearable strain on elected school boards to divert scarce local general funds to maintain a viable lunch program or, more likely, cease operating a National School Lunch Program. In that event, the children who normally depend on the school lunch, including the needy, will suffer both nutritionally and in overall health status. Given the well-established tie between good nutrition and learning, the educational and learning process will also be adversely affected. **DO NOT REDUCE SECTION 4 FUNDING.**

WHOLE MILK: The current statutory mandate that whole milk be offered in the National School Lunch Program must be eliminated. The previous requirement to offer only lowfat forms of milk enabled millions of Americans to lower their fat intake and develop a lifelong preference for lowfat milk. This was a significant nutritional accomplishment for our country and parallels the U.S. dietary guideline to reduce fat consumption. Nutritionally, lowfat milk contains less calories and cholesterol than whole milk. The current whole milk requirement represents a major setback to national efforts to improve people's health status via dietary intake. **REPEAL THE MANDATE TO SERVE WHOLE MILK.**

DIETARY GUIDELINES AND RESEARCH: There is a clear and pressing need to develop dietary guidelines for children in America and to conduct research on their dietary needs. The premise of setting specific food recommendations for adults is becoming well-accepted since there is growing convergence between the nutrition recommendations of public health and medical professionals.

Summary of Major Issues for Reauthorization
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However, controversy reigns when it comes to specific nutrition recommendations for children. Most experts agree that the definition of health for children goes beyond normal growth and development to the prevention of chronic diseases, including obesity, coronary heart disease, cancer, and osteoporosis. Currently, however, the dietary recommendations for children are contradictory and difficult to quantify in relation to specific food choices. For children, there is less research to link specific dietary change with improved health. During critical periods of growth and development, there is a greater risk of doing harm through overzealous dietary restrictions. The issue of hunger in our society exacerbates this issue. Nevertheless, it is time to take bold steps toward quantifying prudent dietary guidelines for children. The reauthorization process provides the requisite forum for Congress to require the development and dissemination of quantitative dietary guidelines for children, ages 2 through 18. Better guidance to food service personnel, parents, and teachers is clearly needed to ensure more healthful and nutritionally sound diets for our children. It is also an appropriate time to require research into how dietary intake impacts growth and development of children. It is important that Congress authorize states to develop more stringent dietary guidelines if they so choose. California is in the process of developing dietary guidelines for its children. Implementation is expected to occur before the next school year begins. It would not only help California's children, but we believe that it will also help children in other states if the Federal Government would set minimum dietary standards for children. **DEVELOP DIETARY GUIDELINES FOR CHILDREN AND REQUIRE RESEARCH ON THE IMPACT OF DIET ON CHILDREN.**

CHILD ADVOCACY: We are concerned that as a representative of the nation's farm community, the Secretary of Agriculture is not always an unbiased or even qualified advocate of children's health and education needs. There is a potential conflict of interest on issues that may impact both agricultural interests and the needs of children. The needs of children may suffer if decisions on children's health issues are not a shared effort. To this end, a framework for child's issues should be created where the interests of children are adequately represented. On health nutrition and education issues, such as the establishment of dietary guidelines, the initiative and monitoring of health research, and nutrient content of commodities should be conducted as joint efforts involving the Secretary of Health and Human Services, the Secretary of Education, the Secretary of Agriculture, and perhaps the Surgeon General of the Public Health Services must be mandated. **REQUIRE SHARED INVOLVEMENT IN CHILD HEALTH AND NUTRITION RELATED ISSUES.**

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COMMODITIES PROCESSING: Food labeling offers opportunities to inform consumers about the nutrient content of foods thereby improving dietary choices. Currently, processors of USDA donated foods are not required to provide ingredient and nutrient composition information to National School Lunch Program sponsors. Ingredient and nutrition labeling standards, as established by the Food and Drug Administration for retail food products, should be provided for all processed commodities either on a product label or a supplemental sheet provided before or upon delivery. The label should list amounts of sodium and dietary fiber per serving plus provide a per serving calculation of the percent of calories from protein, carbohydrate, and fat.

This information would facilitate the development of more healthful menus which incorporate the U.S. Dietary Guidelines as well as targeting and controlling specific levels of nutrients such as sodium and fat intake. Local food service personnel would be able to evaluate individual food products in consideration of other foods being offered. This would enable schools to offer students meals whose overall nutrient composition, over time, reflects the U.S. Dietary Guidelines. Currently, food service personnel do not have access to this type of information, making implementation of the Dietary Guidelines very difficult. **REQUIRE INGREDIENT AND NUTRIENT LABELING OF PROCESSED COMMODITIES.**

PAYMENTS TO PROGRAM AGENCIES: There is a clear need for a mechanism whereby National School Lunch and Child Care Food Program sponsors are not unduly penalized for inadvertent human errors made by state agencies when processing valid reimbursement claims. These errors are known as "state agency oversights." They include misplaced claims and key punch errors. Over the past three years, there have been approximately 100 "state agency oversights" with a reimbursement value of approximately \$1,000,000. During this period, more than 111,000 transactions occurred and more than \$1.5 billion was paid to sponsors for meals served. This equates to an average error rate of .0009 percent of claims processed. The USDA finds this error rate unacceptable and penalizes sponsors by refusing payment until the Department provides an acceptable corrective action plan that will prevent future errors. The current system is not structured to allow for timely reimbursement when human errors occur.

Under current procedures, sponsors suffer financial hardship even though their valid claims were submitted within the USDA 90-day regulatory time limit established by USDA. If the 90-day limit for submitting reimbursement claims is exceeded, the sponsor will not be reimbursed in a timely manner. If the end of the fiscal year has passed, it could be years before USDA provides the funds to

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reimburse the sponsor for meals served. Efforts to secure payment for sponsors consume an inordinate amount of state agency staff time spent a tempting to satisfy USDA staff that errors will never be made again. The administrative burdens on state agency staff is secondary to sponsors suffering because they cannot be reimbursed on a timely basis for reimbursable meals served. To illustrate the magnitude of the program and the extremely low claim processing error rate consider the following. In California, there are approximately 1,100 agencies in the National School Lunch Program and nearly 700 sponsors in the Child Care Food Program. These program participants submit approximately 37,000 original and adjusted claims each year that total in excess of \$500,000,000 per year in federal and state reimbursements.

To remedy this situation, USDA should be required to provide the funds for all meals claimed due to state agency oversights within 90 days of notification. This is a practical, simple solution to a costly administrative problem. It is reasonable to limit this provision to oversights occurring within the prior three federal fiscal years. **DEVELOP AN EXCEPTION PAYMENT MECHANISM SO THAT LOCAL AGENCIES ARE NOT PENALIZED.**

NUTRITION EDUCATION AND TRAINING (NET): The NET Program, established in 1978, is the educational component of the Child Nutrition Program. The goals of the program are to improve nutrition knowledge of teachers, school district and child care food service personnel and children of all ages and to effect changes in children's dietary choices that will result in improved health and well-being of children. NET was originally funded at the statutory rate of \$.50 per child but was reduced to the current rate of less than \$.10 per child (\$5 million nationwide) in 1982. The President's proposed budget eliminates the appropriation for FY 1990.

NET programs have achieved remarkably impressive accomplishments with limited funding such as: nutrition curriculum for preschool, primary and secondary students; nutrition and management training for school nutrition personnel; nutrition training for teachers; education materials; libraries and nutrition resources for local school districts; development of computer software and mini-grants to local school districts and community groups. Results clearly show a significant improvement in knowledge, attitudes and nutritional practices of children, teachers, and school nutrition personnel.

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As an integral educational component of the school lunch program, fully funding the NET Program at the statutory level of \$.50 per child will support programs to assist children in forming life-long healthy eating habits and ultimately reduce our nation's health care costs. With increased funding, nutrition training can be expanded and updated, more people reached and statewide nutrition policies developed. Without NET funds, there will be little or no money specifically dedicated to organized education programs which emphasize nutrition. Fundamental change in diet and nutrition awareness will not occur without investing money for nutrition related staff development activities. A basic awareness of dietary guidelines and an understanding of how these are translated to menu items that children will eat requires intensive, ongoing, and a broad-based training effort focused on students, food service personnel, parents, and teachers. In addition, training will be required to facilitate interpretation of ingredient labels and in performing nutrient analysis. In California, a modest state-funded effort is focused on nutrition education. Congress should recognize efforts made by states to provide education and training in child nutrition issues. Providing incentive funds or preferential funding in these cases would ensure continued efforts in promoting the nutritional well being of the nation's children. **FULLY FUND NUTRITION EDUCATION AT THE STATUTORY LEVEL OF \$0.50 PER CHILD.**

SANITATION AND SAFETY TRAINING: Currently, there are no requirements to train or educate school food service personnel in the proper preparation and handling of foods. There is a clear need to provide this training because of the need to protect children from the hazards of food-borne illness. Training food handlers on the basic principles of food sanitation and safety would insure a level of knowledge and awareness that will drastically reduce the potential for serious illness to children. Modest additional funding to develop and implement this training will be necessary to ensure dissemination to every school site in the country. **MANDATE AND FUND SANITATION AND SAFETY TRAINING FOR FOOD HANDLERS.**

PAPERWORK REDUCTION ISSUES

It is my understanding that you are particularly interested in ideas to reduce the cumbersome paperwork burden that now exists in the National School Lunch and Child Care Food Programs. To assist you in this area, my staff have developed a series of concepts that you may find useful in your deliberations. The rest of this attachment outlines ideas that would substantially reduce paperwork in these programs.

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NATIONAL SCHOOL LUNCH: THE SNACK: Recently schools have become increasingly involved in providing after school child care for their younger students. In California, the "latch key" program is one example and many head start programs are also located on school campuses. In order to be reimbursed for snacks provided, either after hours or between meals to children, our schools must also participate in the Child Care Food Program (CCFP). Snacks are not currently authorized in the National School Lunch Program (NSLP). In California, over 100 schools or approximately 15% of our sponsors, participate in both the NSLP and the CCFP. Administratively, this means that schools must submit two totally different program agreements to the state agency, receive separate compliance reviews, and operate under totally different USDA regulations. A substantial amount of paper work would be eliminated if a snack were authorized in the NSLP. Schools would no longer need to apply to participate in the CCFP, thereby eliminating mountains of paperwork to simply provide a snack to a child. This change could be accomplished under current funding levels. Funding would shift from the Child Care Food Program to the National School Lunch Program. **AUTHORIZE A SNACK IN THE NATIONAL SCHOOL LUNCH PROGRAM.**

EFFECTIVE DATES OF REGULATIONS: USDA staff promulgate regulations to implement statutory changes typically within 90-days of the effective date of the changes. When regulations change during the school year, local sponsor program operations are often adversely impacted by the change. For example: the regulation implementing the requirement to offer whole milk became effective long after school districts finalized contracts with their milk vendors. In order to meet the requirements of that new law, sponsors were required to renegotiate their milk contracts. This was a disruptive process that may have had negative financial implications. It is also disruptive when regulations are effective retroactively as it was with the additional three cents for meals in the Child Care Food Program. Many sponsors found it difficult to properly calculate the retroactive amounts due their day care home providers. This problem was compounded by the inability to locate providers who were no longer with the program. Depending on the number of changes that occur each year, sponsors would be continually revising their operating procedures. Clearly the fewer changes made to an efficient program, the smoother that program operates in the short run. Administrative burdens on sponsors would be greatly reduced if regulations to implement statutory changes became effective no sooner than the first day of the following school year. **REQUIRE REGULATIONS TO BE EFFECTIVE AT BEGINNING OF THE SCHOOL YEAR.**

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ELIGIBILITY: The current eligibility requirements for participation in school nutrition programs impose significant paperwork burdens on schools. The following suggestions would substantially reduce these burdens without compromising Summary of accountability. Current law requires, as a condition of eligibility for receipt of free or reduced price meals, that the social security numbers of all adult household members be provided and that appropriate documentation of household income be reported to the school. These two provisions account for most of the attention given to eligibility applications by school staff. They are also the source of most of the errors noted during typical Assessment, Improvement, and Monitoring System (AIMS) reviews by the state agency, yet these provisions do not jeopardize accountability.

There is general consensus among California's school level personnel that elimination of the social security requirement, and requiring total income to be reported rather than the five broad "source of income" categories as is now required, would substantially reduce administrative costs and have no undermining effect on accountability. Social security numbers are rarely used for any purpose. They are meaningless for the paid child (since the paid child doesn't apply), not required for families who qualify under food stamps or AFDC provisions, and typically it is not critical to the income verification process. Eliminate the requirement to include social security numbers as a condition of eligibility in the National School Lunch and Child Care Food Program. If necessary, the requirement to provide social security numbers could be restricted to verification activities only.

Family size and income data are clearly needed to judge eligibility for free or reduced price meals. However, it is total income that forms the basis for eligibility, not the source from which the income is derived. The ability to properly fill out eligibility applications by applicants and to check their completeness by local school staff is complicated by the five broad income categories currently required by USDA. The eligibility application form is made unwieldy by requiring this unnecessary level of detail. Consequently, an inordinate amount of parent and school staff time is consumed in this area. A statement of total income is sufficient to determine eligibility. **STREAMLINE ELIGIBILITY REQUIREMENTS: ELIMINATE SOCIAL SECURITY NUMBER AND SOURCE OF INCOME.**

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CIVIL RIGHTS DATA: It is a basic tenet of federally funded child nutrition programs that no child may be discriminated against on the basis of race, color, sex, age, handicap, religion, or national origin. To ensure that this tenet is observed, applicants for free and reduced price lunches are encouraged to complete, on a voluntary basis, racial and ethnic data as part of their application. Many applicants choose not to include this information for a variety of reasons. While voluntary for the applicant, school staff are required to collect and summarize racial and ethnic data for participants in the school lunch program. To do this, school level staff must determine, from other means available, which racial ethnic group they think would best characterize the child. This is a time-consuming activity which produces questionable results. It is unlikely that violations of civil rights will be uncovered with these methods. All schools currently collect racial and ethnic data concerning their overall student population. This information is readily available and currently reported to state agencies for a variety of purposes. Separately recording racial/ethnic data for school lunch is a duplicative, unnecessary task. **ELIMINATE THE REQUIREMENT TO COLLECT RACIAL/ETHNIC DATA SPECIFICALLY FOR SCHOOL LUNCH PARTICIPANTS.**

VERIFICATION: The intent of the verification process is to confirm or deny the eligibility of a child for a free or reduced price meal. Existing regulations call for verifying up to three percent of the applicants depending upon the method chosen. Essentially, household adults are required to substantiate the income reported on their eligibility application. This is a burdensome, time-consuming, administrative effort for school personnel to undertake. It is typically frustrating and intrusive for both the applicant and school staff. We are concerned that this process may be more of a paperwork exercise than a program that uncovers abuses in the eligibility categories of children. Accountability is important, but at what cost? Unless substantial corroborative information exists to suggest that a fraudulent eligibility application was submitted, it may not be cost effective to verify income. The administrative costs of this requirement may far outweigh any benefits that may accrue. Many food service directors have expressed this concern to my staff. We believe that a definitive national study focused on a cost benefit analysis in the area of verification is needed. If the results of that study show that verification is not cost effective, then eliminate the requirement unless there is a clear indication of fraud. **CONDUCT A REPRESENTATIVE NATIONAL RANDOM SAMPLE TO DETERMINE COST EFFECTIVENESS OF VERIFICATION. ELIMINATE IF NOT COST EFFECTIVE.**

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REGULATIONS: Currently, the National School Lunch and Child Care Food Programs are operated under detailed, highly prescriptive regulations promulgated by USDA. The January 5, 1989, Education Daily quoted you as indicating that 44 percent of all the paperwork imposed on educational institutions by the Federal Government stems from school nutrition programs. I believe that the USDA regulations are excessive, burdensome, and too prescriptive both to our schools and to child care providers. Program directors' attention is diverted away from their main priority of feeding children nutritious meals towards a focus on paperwork. The sheer volume is overwhelming. Perhaps the best solution to reducing paperwork is to convene a group of program sponsors and state agencies and charge them with eliminating a significant proportion of the current regulations. Perhaps the Government Accounting Office could be involved in this review. I would caution that state agencies and school districts should be consulted before the scope of the study is finalized. A requirement to report specific recommendations for reductions to Congress would provide for oversight prior to implementation. **CONVENE GROUP TO REDUCE UNNEEDED REGULATIONS.**

COMMODITY DISTRIBUTION COALITION

February 28, 1989

STEERING COMMITTEE

Jens Knutson
American Meat Institute
703/841-2400

Larry McKenzie
American Farm Bureau
Federation
202/484-2222

Patricia Lynn Phillips
National Association of State
Agencies for Food Distribution
703/450-2880

Ron Schuler
California Canning Peach
Association
415/284-9171

Judy Ziewacz
National Milk Producers
Federation
703/243-6111

The Honorable Augustus F. Hawkins
Chairman, Committee on Education and Labor
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman.

The organizations listed below support the Food Distribution Program as it currently exists and recommend its reauthorization and full funding for the next year. The commodity Distribution Coalition values the dual purpose of the commodity program to remove surplus commodities to stabilize producer prices and to provide food support to the school lunch and other feeding programs.

The Coalition worked with the Congress and other interested parties on the Commodity Distribution Improvement Act of 1987. Our member organizations feel it is important that the program meet the needs of recipient agencies as well as agriculture and we are pleased with the progress USDA has made in implementing the legislation.

We urge you to remember the broad support for these programs as you consider reauthorization and funding.

Sincerely,

Commodity Distribution Coalition

cc: U.S. House of Representatives
Committee on Agriculture

Commodity Distribution Coalition
February 28, 1989
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Commodity Distribution Coalition

Alabama Peanut Producers Association
American Beekeeping Federation
American Dairy Producers Institute
American Farm Bureau Federation
American Meat Institute
Canned Pear Pacific Coast Service
Florida Peanut Producer's Association
Georgia Peanut Commission
International Apple Institute
Louisiana Sweet Potato Commission
Nat. Assn. of State Agen. for Food Dist.
National Farmers Organization
National Meat Canners Association
National Milk Producers Federation
National Turkey Federation
New York Cherry Growers Association
Peanut Advisory/Ketchum Public Rel.
The National Grange
Western NY Apple Growers Association
United Egg Producers

HEARING ON H.R. 24 EXTENSION OF CHILD NUTRITION AND NATIONAL SCHOOL LUNCH ACTS

THURSDAY, MARCH 2, 1989

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND
VOCATIONAL EDUCATION,
COMMITTEE ON EDUCATION AND LABOR,
Washington, DC.

The subcommittee met, pursuant to notice, at 9:31 a.m., in Room 2175, Rayburn House Office Building, Hon. Matthew G. Martinez [acting Chairman] presiding.

Members present: Representatives Hayes, Lowey, Poshard, Unsoeld, Goodling, Fawell, Smith and Gunderson.

Staff present: John Jennings, counsel; Diane Stark, legislative specialist; Beverly Griffin, research assistant; Mary Jane Fiske, professional staff member; and Lynn Selmsler, professional staff member.

Mr. MARTINEZ. I would like to call this meeting to order. This is a hearing of the Subcommittee on Elementary, Secondary, and Vocational Education. The hearing is on the extension of the Child Nutrition and National School Lunch Acts.

Today, the subcommittee will hear testimony on a variety of child nutrition programs including the Nutrition and Education Training, Summer Food Child Food Care, CASH, CLOC Programs and the Special Supplemental Food Program for Women, Infants and Children, which is better known as WIC. All are very important components of a network of child nutrition programs.

Through these programs, children receive food to supplement their diets, meals in child care settings, food in summer months, and education about the food they eat. These programs, along with the school lunch, school breakfast and the special milk programs, make up what is collectively referred to as Child Nutrition Programs.

Each of the programs plays an important role in eradicating hunger and malnutrition among our children and youth. Today, our panel will discuss these programs, giving us their suggestions on how they may be improved.

Let me add that after yesterday's hearing or was it the day before, I got to thinking about the big debate about who should be served by these programs. As I visited School Lunch Programs, throughout my district, I saw children there who might, under some strict criteria, not qualify as a poor. They are non-poor.

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I would not care one iota if every child in that school participated in that program, even if each one was above that criteria of income. After all, the main thrust of the School Lunch Program is to give the child the nutrition he needs to learn.

If the bottom line is learning and nutrition is the key, then I think we ought to think about those that are above that income level who do participate. They pay full price, subsidizing the program so that the poor that cannot afford it do get it. Everybody wins.

I would like to think that, as we proceed with these hearings, we have finally come to the realization that including people from all incomes is not a bad idea and might be desirous. Let me tell you what my reasoning is.

In my district I have looked at the homes where people who are above that requirement income level live. I have seen that just because people are well off does not mean that their children are well taken care of, or that their nutrition is a main concern of the parents.

Many times, those parents are so busy making that income that the child gets very little or no attention at all. Now, that is not the case in every situation. A lot of people, no matter how busy they are, make sure that they live up to the responsibility of taking care of their children.

There are a lot of parents that because of their busy schedules and all—not because they intend to, but because of things they get caught up in—are not taking care of their children. I think we all have a responsibility to make sure that they understand their responsibility.

If they meet part of their responsibility by shuffling it off to someone else because that school lunch provides the nutrition children need and the parents are willing to pay full fare for it, then I think we ought to accept that.

So, today, as we hear the witnesses, I hope you will comment on the fact that it is not necessarily just the poor that need good nutrition. Thank you.

With that, I would like to introduce Bill Goodling, the ranking minority of the full committee and Ex Officio member of every committee, who will give us his statement.

Mr. GOODLING. Thank you, Mr. Chairman. I like to think reverently of Carl Perkins as the father of School Lunch and Child Nutrition and then I like to think of Bill Goodling as the son of Carl Perkins when it comes to School Lunch and Child Nutrition.

I did have an opportunity to meet with the Secretary of Agriculture when he came before the Budget Committee. I told him above all, what we do not need, is to spend 6.4 million on new auditors to fall over the auditors who are presently there. In fact, I told him probably each school district would have to build a new office in order to house the state auditors, local auditors and then Federal auditors.

He promised me he knew nothing about it, but he would certainly look into it since he was in that business ten years ago, I guess, as an Assistant Secretary in the Department of Agriculture.

We look forward to your testimony today and we will fight the battle again, I suppose, making sure that the subsidy gets to the

school. I keep telling Mary Jane Fiske and Jack Jennings that they ought to be able to come up with something that changes the whole concept so that we are not sending out money to the paying customer.

If you could just get that formula written in such a way that we do not even mention paying customers in any way, shape or form, then we would not have to do that battle every year we get to the floor. I think we slowly have educated most of the Members of Congress that we are not talking about a subsidy to paying customers.

Here comes the late Mr. Greenstein. I thought I would call that to his attention since he is coming in late.

So, I think we have most people educated in the Congress now to understand that it is a subsidy, as a matter of fact, to keep a very important program going so that school districts do not drop out. If they do drop out, then, of course, they, in most states, are not required to provide free and reduced price meals.

I am sure we will win that battle again. You will notice there is a difference between the Reagan budget and the Bush budget in relationship to that issue. In the Reagan budget, they indicated that we would take a shot at the paying customers again.

I spoke to Mr. Darmon and I spoke to the Secretary of Agriculture and said, "Don't embarrass me on the first issue with my new President. I don't want to fight my new President. I worked too hard to get him elected, so let's make sure that doesn't appear in your budget."

I notice that does not appear there, so I think we probably have that battle won before the fight begins, so I am looking forward to your testimony.

Mr. MARTINEZ. Thank you, very much, Mr. Goodling. You are a true friend of education.

At this time, I would like to ask if any other members of the panel have opening statements?

[No response.]

Thank you. At this time, we will proceed with our first panel, which consists of Rebecca Gardner, Legislative Coordinator, National Association of Program Coordinators; Edward Cooney, Deputy Director, Food Research and Action Center, accompanied by Linda Locke, Advocacy Director, Community Coordinator Child Care, Kentucky; and also Dorothy Pannell, Director of Food Services, Fairfax County Schools, Virginia; and Robert Greenstein, Director of Center on Budget and Policy Priorities.

We will start with Rebecca Gardner.

Mr. MARTINEZ. Excuse me one moment. Let me announce that the lights you see in front of you are set for ten minutes. When you have one minute left, the yellow light will come on. We would ask you to end your statement at that point.

STATEMENTS OF REBECCA GARDNER, LEGISLATIVE COORDINATOR, NATIONAL ASSOCIATION OF NET PROGRAM COORDINATORS; EDWARD COONEY, DEPUTY DIRECTOR, FOOD RESEARCH AND ACTION CENTER, ACCOMPANIED BY LINDA LOCKE, ADVOCACY DIRECTOR, COMMUNITY COORDINATED CHILD CARE, KENTUCKY; DOROTHY PANNELL, DIRECTOR OF FOOD SERVICES, FAIRFAX COUNTY SCHOOLS, VIRGINIA; AND ROBERT GREENSTEIN, DIRECTOR, CENTER ON BUDGET AND POLICY PRIORITIES

Ms. GARDNER. Mr. Chairman and Members of the Subcommittee, my name is Rebecca Gardner and I am from the New York State Education Department where I am Chief of the Bureau of School Health Education and Services, also the Nutrition Education and Training Coordinator for the State of New York. Length of title has nothing to do with importance in the organization.

In addition to my testimony, I would like to submit a NET fact sheet that has been prepared by all of the NET Coordinators across the country and an article from the last Journal of Nutrition Education, which talks about the history of the NET program, which is ten years old now.

I am speaking on behalf of both the National Organization of State Net Coordinators of which I am past-president and for the Society of Nutrition Education, of which I am a member. These organizations have made the continuation of the NET program one of their highest priorities.

Thank you for this opportunity to appear before you and to testify on behalf of these organizations, and also the many individuals who have had the opportunity to participate and to benefit in the NET program over the last ten years.

I want you to know also that we appreciate your leadership in relation to these nutrition programs over all these years. I want you to know, and I know that you know, and I want you to know that I know, that nutrition is closely related to education.

The NEA, the National Education Association, just last week released a report that was prepared by the Food Research and Action Center. The report was called The Relationship between Nutrition and Learning.

In the introduction of that document, the president of NEA said, and I want to quote here, because I think it is really important:

"Growing numbers of our students are coming to school burdened with disadvantages. More are poor and because of poverty, more are ill fed. To help these students succeed in school, we must not only have high academic standards, but we must deal with students' needs. Children cannot learn if they are malnourished or if they are too poor to have enough to eat."

This NEA report cites research findings which indicate that hunger leads to nervousness, to irritability, to disinterest; that skipping breakfast often causes nausea, dizziness, headache and fatigue in the morning; and, that the hungry child is passive, apathetic and timid.

I know all of this comes as no news to you, but I want you to know that malnutrition is happening in our economically advantaged homes, not just in our poorer homes. In this fast moving soci-

ety that we live in today, there are kids who are hungry or malnourished because their parents are too busy with their jobs to get to the grocery store.

I feel like I'm one of those parents. They are too busy to prepare the kind of nutritious meals that I received as a child. There are many elementary school aged latchkey kids responsible for meal preparation for their entire family.

There are children whose breakfast consists of what they grab from the counter or what they grab out of the refrigerator on the way out the door. My eight-month-old son has a bottle of milk on the way to the daycare center, and my three-year-old daughter has her entire breakfast at the daycare center once she gets there.

I am one of those parents, Mr. Martinez, that you were talking about a few minutes ago.

For the last ten years, the NET program has addressed just these matters. The NET program needs your help. We are in danger of becoming defunct. This vital, cost-effective health promotion and disease prevention program was targeted for elimination in President Reagan's budget.

We are not clear as to what President Bush intends to do with the NET program. Without reauthorization and funding, NET will cease to exist in most states. I was going to tell you how many dollars that meant in California and New York and Pennsylvania, and also to tell you that half the states in the country are minimum funded states, which means they get less than \$50,000 dollars.

When I looked at the dollars, I thought, "They will think they shouldn't even be concerned with this program, because there are so few dollars involved." I want you to know that you should be concerned because those few dollars have done an awful lot of good in this country.

We are not only asking you that NET be reauthorized, but we are asking you to seriously consider funding NET or restoring the funds of NET to what it was ten years ago. Ten years ago, we got fifty cents per child per year for the NET program. Today, we are getting less than ten cents per school child per year.

This possible end of the NET program would come at a time when scientific studies are telling us that five out of ten of the leading causes of death are caused by diet. Yesterday, I got in my hands a report from the National Research Council, we says that, "The health risks and benefits stemming from diet have concluded that the U.S. public could substantially reduce its risk of heart disease, cancer and other chronic diseases through specific changes in eating habits."

I want to quote again, because I think this is really important, "The implementation of the recommendations of this National Research Council means that individuals will need to devote more time and attention to their daily diets and that professionals will have to assist the public in diet planning. The food processing industry, restaurants and school cafeterias will be required to alter their menus and their recipes, while government agencies will need to consider changes in food and nutrition programs and policies."

The NET program has been doing that for the last ten years and we think we can do more. The goals of the NET program were to

teach children about the relationship between nutrition and health; to train school food service people, because if those people that are preparing the meals in the schools don't understand nutrition, then you know what is going to happen to the meals.

We are also supposed to instruct teachers in nutrition and we are supposed to develop materials and curriculum. NET has done that. NET has produced materials and programs for handicapped individuals, for pregnant teens, of which we have a few in this country, for student athletes and coaches in addition to doing all of the things for the regular kids and teachers and food service people.

NET programs throughout the country have produced remarkable achievements. I say that because of the few dollars that we have. I want to just mention three things.

In California, there was developed a curriculum called Choose Well, Be Well. That curriculum not only has been disseminated across the country of the United States, but is also being used across the world today.

In New York State, we had an Emmy Award winning television series called High Feather, and I am very proud of that television series.

Finally, just to mention a third thing, in Pennsylvania, there is now under development a school breakfast campaign that targets at-risk students. As far as I am concerned, that model is destined to become a national model for this country, but not if we don't have NET monies next year.

State evaluations from across the country show that we have significantly improved knowledge and attitudes and practices with our NET activities. All of our states can provide you with those kinds of statistics. Unfortunately, formal evaluation has been severely curtailed due to funding.

These successes notwithstanding, there is still much to be done. Because of decreased funding in recent years, we have been unable to reach many segments of our population. I mentioned our three target audiences—children, school food service people and teachers.

What has happened with the NET programs in many states because of decreased funding is that we have had to choose one of the three or two of the three populations to focus on and have not been able to focus on all three.

I mentioned to you before NET was funded at \$26 million ten years ago at fifty cents per school child. I also mentioned that it was less than ten cents per school child. I want you to know what the difference in numbers means.

NET now reaches only—these are numbers as of last year—85,000 teachers; 67 school food service personnel; and 2.2 million students. From figures years ago, we reached 211,000 teachers, 103,000 food service workers, and 5.6 million students. That goes to show you the difference in what we can do with dollars.

The public's interests and concerns regarding the nutritional quality of school breakfast and lunch cannot be overlooked. Now, more than ever, our NET program needs to provide leadership and guidance to the school lunch program in the form of nutrition education and training for school food service people.

In New York, we have used our NET funds to broker getting some state dollars to provide trainer to school food service people in the way of a statewide network of trainers.

Nutrition is a dynamic science. It changes every day. Our materials are outdated. The amount of work that we are able to do is not the same as it used to be.

I am asking you to support the reauthorization of the NET program and that you consider this gradual increase of funds back to the original funding over a period of five years.

These additional funds would result in cost savings in the way of health care costs in this country. As our NET coordinator from North Dakota said to me the other day on the phone, "I use this quote when I am doing training: Nutrition is to health as reading is to learning."

I thank you for your time and for your concern.

[The prepared statement of Rebecca Gardner follows:]

TESTIMONY OF
REBECCA A. GARDNER
CHIEF OF THE BUREAU OF SCHOOL HEALTH EDUCATION & SERVICES
AND
STATE COORDINATOR FOR THE NUTRITION EDUCATION
AND TRAINING PROGRAM
NEW YORK STATE EDUCATION DEPARTMENT
BEFORE THE COMMITTEE ON EDUCATION AND LABOR
U.S. HOUSE OF REPRESENTATIVES
CONGRESSMAN AUGUSTUS F. HAWKINS, CHAIRMAN

RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, D.C.

March 2, 1989

Mr. Chairman and members of the subcommittee, I am speaking on behalf of both the National Association of State Nutrition Education and Training (N.E.T.) Program Coordinators (NASNET), of which I am past-president, and the Society of Nutrition Education (SNE), of which I am a member. These organizations have made the continuation of the Nutrition Education and Training (NET) Program one of their highest priorities.

Thank you for the opportunity to appear before your committee, to testify on behalf of these organizations and the many individuals participating and benefiting from the NET program. We appreciate the leadership which this committee has given to nutrition programs over the years. We know nutrition is clearly related to education.

The National Education Association (NEA) just last week released a document prepared by the Food Research and Action Center (FRAC) called The Relationship Between Nutrition and Learning. In the introduction the President of NEA said, and I quote, "Growing numbers of our students are coming to school burdened with disadvantages. More are poor and, because of poverty, more are ill-fed. To help these students succeed in school, we must not only have high academic standards, but we must deal with the students' needs. Children cannot learn if they are malnourished or if they are too poor to have enough to eat." I want you to know that malnutrition is happening in our economically advantaged homes not just in our poorer homes. In

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Thank you for the opportunity to appear before your committee, to testify on behalf of these organizations and the many individuals participating and benefiting from the NET program. We appreciate the leadership which this committee has given to nutrition programs over the years. We know nutrition is clearly related to education.

The National Education Association (NEA) just last week released a document prepared by the Food Research and Action Center (FRAC) called The Relationship Between Nutrition and Learning. In the introduction the President of NEA said, and I quote, "Growing numbers of our students are coming to school burdened with disadvantages. More are poor and, because of poverty, more are ill-fed. To help these students succeed in school, we must not only have high academic standards, but we must deal with the students' needs. Children cannot learn if they are malnourished or if they are too poor to have enough to eat." I want you to know that malnutrition is happening in our economically advantaged homes not just in our poorer homes. In

our "fast-moving" society today there are kids who are hungry or malnourished because their parents are so busy with their jobs that they do not have time to grocery shop or to prepare the kind of nutritious meals that they received as a child. There are elementary school aged "latchkey kids" responsible for meal preparation for their entire family. There are children whose breakfast consists of what they can grab from the counter or refrigerator as they go out the door to school. My eight month old son has a bottle on the way to the daycare center. He receives cereal and fruit from the caregivers later. My three year old has her entire breakfast at the Center.

This NEA report cites research findings that indicate that hunger leads to nervousness, irritability and disinterest; that skipping breakfast often causes nausea, dizziness, headache and fatigue in the morning; and that the hungry child is passive, apathetic and timid.

For the last 10 years, the NET Program has addressed these issues. The NET program needs your help. This vital, cost-effective health promotion and disease prevention program was targeted for elimination in President Reagan's FY '90 budget. We are not clear about what the effect of President Bush's freeze on child nutrition programs will mean for NET. Without Federal reauthorization and funding, NET will cease to exist in most states. For California this would mean a loss of \$456,000; for Michigan, \$164,000; for Pennsylvania \$186,000 and for my own state of New York, \$290,000. Approximately half of the states in this country are minimum grant states that stand to lose their

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full funding of \$50,000. We are not only asking that NET be reauthorized, but that you seriously consider a restoration of the NET funding to \$.50/school child/year over a five year period. NET began at this level ten years ago.

This possible end of the NET Program would come at a time when scientific studies link five of the ten leading causes of illness and death in the United States to diet, and when the Surgeon General's Report on Nutrition and Health of 1988 states, "Educating the public about the dietary choices most conducive to prevention and control of certain chronic diseases is essential. Educational efforts should begin in primary school and continue throughout the secondary grades..." Just last month, recommendations from the National Cholesterol Education Program stated that we must begin with school age children.

The NET program is equipped to do just that: educate our children, teachers and food service personnel as well as parents about nutrition. NET is a family nutrition education program. It fills the gap between WIC and Meals on Wheels. The NET program came into existence in 1977 as an amendment to the Child Nutrition Act of 1966 (P.L. 95-166). The goals of the program as established by law include: 1) teaching children about nutrition and its relationship to health; 2) training school food service personnel in the principles and practices of food service management; 3) instructing teachers in sound principles of nutrition education; and 4) developing and using classroom materials and curricula.

NET funds have been used to produce specialized nutrition

materials and education programs for handicapped individuals, pregnant teens, student athletes and coaches. In addition, it has provided training to teachers, children, parents, and food service personnel in child care programs through the twelfth grade. NET programs throughout the country have achieved remarkably impressive accomplishments despite limited funding such as the development of:

- o the highly-acclaimed California "Choose Well-Be-Well" Nutrition Education Curriculum Guide now used worldwide;
- o the Emmy Award winning television series "High Feather" developed in my own State of New York; and
- o the Pennsylvania School Breakfast Campaign especially targeting "high-risk" youth destined to become a national model.

And I could go on.

State evaluations from across the country show a significant improvement in knowledge, attitudes, and nutritional practices of children, teachers, and school food service personnel as a result of NET activities. In Ohio, 70 percent of the teachers indicated that the Ohio Integrated Nutrition Activities process model, developed with NET funds, helped them to teach students to know and eat a variety of foods. In Texas, 17 of 23 formal evaluations of nutrition knowledge, attitudes, and behavior were significantly positive, and none were negative. Many states can provide similar statistics, though formal evaluation has been severely curtailed due to reductions in funding.

A 1985 investigation into the effectiveness of nutrition education, conducted by the University of Minnesota for the National Dairy Council and published by the Society for Nutrition Education, resulted in three major findings. The first is that nutrition education results in a marked increase in knowledge in nutrition. The second is that nutrition education results in some increase in positiveness of attitudes toward eating nutritiously. The third is that nutrition education results in constructive changes in participants' patterns of food consumption. Thus, this study confirmed what we in the NET program have demonstrated time and again, that nutrition education works!

These successes notwithstanding, there is still much to be done. Because of decreased funding in recent years, we have been unable to reach large segments of the school population. The original NET funding, established at a level of \$26 million nationwide, provided states with 50 cents per child per year. In FY '80 funding dropped to \$20 million; in FY 81 it dropped to \$15 million; and in FY '82 it was reduced to its present level of \$5 million. As a result, the program now reaches only 85,000 teachers, 67,000 food service personnel, and 2.2 million students as compared to the 211,000 teachers, 103,000 food service personnel, and 5.6 million students reached with the original funding level.

The public's interest and concern regarding the nutritional quality of school breakfast and lunch meals cannot be overlooked. Now more than ever, our schools need the NET program to provide

leadership and guidance in the form of nutrition education and training to the school food service personnel. This training needs to be expanded so that all children can have access to high quality, nutritious meals. In New York State we have captured some State dollars to combine with Federal NET dollars to establish a statewide network of trainers to train school food service personnel.

Many states are finding it difficult to continue to meet the needs of the students, teachers and school food service personnel at the current \$5 million funding level. Many of the college-level nutrition courses for school food service personnel and teachers have been discontinued and training programs cut back. Mass media nutrition education programs for students have also been curtailed or eliminated.

Nutrition is a dynamic science, and as such there is a continual need to upgrade and revise nutrition education programs. Many of the curricula and training manuals developed by NET, and many of the resources purchased by NET for its leading libraries, are now out-of-date. These materials need to reflect current scientific knowledge regarding the relationship of diet to heart disease and cancer. New materials must be developed to meet emerging needs.

We ask that you support the reauthorization of the NET program and that you consider a gradual increase in funds, over the next five years, restoring NET to its original funding level. These additional funds would ultimately result in a cost savings. Health care costs will decrease as healthy food habits

are established. As our NET Coordinator from North Dakota has said, " Nutrition is to health as reading is to learning."

Thank you for your time and concern.

Mr. MARTINEZ. Thank you, Ms. Gardner.

We will hold all questions for the witnesses until after the panel has completed its testimony.

With that, we will now move to the second witness, Edward Cooney.

Mr. COONEY. Thank you, Mr. Martinez and Mr. Goodling and the other members of the subcommittee for allowing me to present this testimony. The Food Research and Action Center is a nonpartisan center seeking lasting solutions to hunger and poverty in America.

Today, I am accompanied by Linda Locke, who is Director of Advocacy for CCCC in Louisville, Kentucky. This is a child care food program sponsor, and she is a member of the CCFP Sponsor Forum, which represents over four hundred CCFP sponsors around the country and over one million children. The Forum has a particular emphasis on the family daycare program.

Ms. Locke is here to respond to any questions that any members might have on the Child Care Food Program.

Today, I would like emphasize three particular areas. One is the Reagan-Bush budget plan and its impact on School Lunch and Child Care; the second is increased funding for the Women, Infants and Children's Program; and, thirdly, are improvements needed in the Summer Food, School Breakfast, Child Care Food and Nutrition Education and Training areas.

At FRAC, we believe that good nutrition has a physical, emotional and intellectual impact on a child's ability to learn. The two most important legislative events that will impact on this relationship with nutrition and learning for our children this session are the budget resolution and the Child Nutrition Reauthorization Bill.

Both legislative vehicles allow Congress an opportunity to make important improvements in child nutrition programs, yet both legislative vehicles also allow Congress to make spending reductions in child nutrition programs.

We oppose the one billion dollars in child nutrition cuts from the Reagan budget and recommend certain improvements in the School Lunch and child nutrition programs which will cost approximately \$200 million in Fiscal Year 1990.

On the Reagan-Bush budget plan, it is clear that Candidate Bush stated how he would request sufficient funding for important programs designed to reach young children, such as School Lunch and WIC.

As president, he has issued a budget, as Mr. Goodling pointed out, and based upon available documents, it does appear that a current services budget is recommended for School Lunch, Child Care and related programs.

However, this particular plan does subject hundreds of primarily non-defense discretionary programs, of which this committee has jurisdiction over several hundred. These programs are subject to an outlay freeze, meaning simply that these programs would, if this were pursued uniformly, get the same amount of money in 1990 as they would in 1989. That would assume, of course, that a child who needed immunization was going to cost the same amount next year as it does this year.

The Bush budget plan also calls for, overall, \$21 billion in cuts in domestic spending programs. Now, in his confirmation hearing,

Secretary Yeutter quite clearly indicated that, for him, he was in favor of cuts in Section 4.

Now, on Tuesday, Mr. Goodling got involved in some either across-town or across-education in terms of Section 4 and the Secretary did say before the Budget Committee that in the Bush budget, Child Nutrition cuts were out and that the nutrition community should be happy.

I would note for the record, he said, "Be happy" and he did not say "Don't worry."

Yesterday, The Washington Post reported a study about how the Reagan budget cutback proposals are now seen as the starting point for budget negotiations. We also, on the basis of information and belief, believe that the United States Department of Agriculture staff is currently drafting options for child nutrition budget cuts.

This is not surprising. Federal agencies do that all the time. They are not drafting proposals for outreach and training and technical assistance that the Department can provide to child care sponsors or to parents wanting information about the School Breakfast Program, but they are preparing drafts on cuts.

In the way of summary, I would just say the only definitive statement that we can make about whether or not there are school lunch cuts in the budget are that they are technically not in the Bush budget, but certainly not off the bargaining table.

Now, Chairman Watkins asked Shirley Watkins and Charlie Hughes on Tuesday to work hard against these cuts and we want to assure the Chairman that we will also go to the mats on this—that is m-a-t-s as well as m-a-t-z—in terms of trying to fight these cuts.

Our recommendation is that the committee get a definitive answer on March 23rd when the Secretary testifies before this committee. The budget resolution is a battle of priorities: Do we fund child nutrition? Do we fund defense? Do we fund space?

We believe that children should be our first priority. Borrowing a quote from Senator Hawkins, which he used in a presentation attacking the School Lunch cut, the Senator noted that Margaret Meade said, "We have to have a place where children can have a whole group of adults that they can trust."

The Education and Labor Committee has always been such a place. We will work hard to make sure the Budget Committee is such a place as well. We oppose those cuts.

Our second topic is on the WIC program, but I notice that my colleague, Mr. Greenstein, is here. He is certainly one of the key figures in keeping WIC lit. I am going to defer any discussion of that particular topic, except to indicate for the record that we favor increased funding for WIC. It is one of our top priorities. This view is widely shared.

I have attached to my testimony a petition which seeks increased funding for WIC over the next four or five years on a continuing basis, which is signed by 93 national organizations representing education groups, unions, commodity groups, nutrition and health groups, children's groups as well as religious organizations.

I would also like to note that Bread for the World will be submitting testimony today for the record. They are one of the principal

organizations trying to expand this program. They have a statement that is signed by the heads of the denominations of 38 of the major religious organizations in this country seeking increased funding for WIC.

We are also interested in some of the smaller programs. We would urge the committee to take a look at the Summer Food Program, to allow low income children access to that program by allowing, in certain circumstances, private nonprofit sponsors to participate in that program.

We do acknowledge that there has been a problem with such sponsors in 1977, but we believe that legislation can be crafted limiting the number of sites and the size of the sponsors as well as certain accountability requirements so that we could overcome any problems that we have had in the past.

Think about it for a minute. There are 12 million children that participate in the School Lunch Program for nine months of the year, yet in Fiscal Year 1986, the most recent data available from USDA's recent study of the Summer Food Program, only 1.5 million low-income children participated.

We know for a fact, from USDA studies, that these kids get anywhere from one-third to one-half of their total daily nutrient intake from that school lunch. We just cannot support a situation where they only get that kind of nutritional quality nine months of the year.

What happens to the other ten million kids that do not participate? Well, food banks. They tell us that the greatest need for food is not Thanksgiving or Christmas, but summer, when the kids are out of school.

We urge you to take a look at this provision. We would certainly work with the committee and the committee's staff to design something that is safe, accountable, yet provides meals to these kids during the summer.

We would also urge the committee to take a look at the School Breakfast Program, a program where, even though we have evidence now that eating a school breakfast for low-income kids is associated with significant improvement in achievement test scores and reduced rates of tardiness and absenteeism, it is only available in one-third of the schools in this country. There are 95,000 schools that participate in the School Lunch Program, but only 37,000 schools that participate in the Breakfast Program.

We think that there is a need for outreach funds, as well as start-up funds in that category. Also, it would be nice if USDA could provide some training and technical assistance to local groups on these issues.

On the Child Care Food Program, we think it is very important that outreach funds and training and technical assistance be made available by the National USDA Office and its regional offices.

Over three-fourths of family daycare providers currently are not licensed and, as Ms. Locke points out in her testimony, there are barriers to participation in the low-income community. Things like language, literacy, geography and fear have to be overcome.

We need people out there that are sensitive to the issues in the low-income community that can bring them into this program so

that they are licensed and they get the benefits of a nutritional program.

We also support the testimony that Ms. Gardner gave from New York on the Nutrition, Education and Training Program. We think that it is not necessary to have \$6.4 million to go for a third level audit. We suggest that those funds be transferred this year to the NET Program.

Thank you, Mr. Chairman.

[The prepared statement of Edward M. Cooney follows:]

Testimony of
Edward M. Cooney
Deputy Director
Food Research and Action Center
Before the
Committee on Education and Labor Subcommittee on
Elementary, Secondary and Vocational Education
United States House of Representatives
March 2, 1989

Mr. Chairman, Mr. Goodling, members of the Committee, I am Edward Cooney, Deputy Director of the Food Research and Action Center, (FRAC). FRAC is a nonpartisan center seeking lasting solutions to hunger, malnutrition and poverty in America. As a national organization based in Washington, DC, FRAC works with individuals, elected officials, religious groups, civic leaders, educators and the business community to solve one of America's most serious domestic problems -- hunger in the midst of plenty.

I am accompanied by Linda Locke, Director of Advocacy for the Coordinated Community Child Care Program of Louisville. Ms. Locke is submitting testimony for the record and is present today to respond to any questions relating to the Child Care Food Program. Both Ms. Locke and I are members of the Steering Committee of the Child Care Food Program Sponsors Forum. The Forum is composed of sponsors of family day care homes which participate in CCFP. The purpose of the Forum is to:

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"...assist in the creation of a community of member organizations dedicated to the ideals of high quality meal service and nutrition training in the family day care setting."

Mr. Chairman. Many witnesses who have come before this committee have highlighted the fact that children are the poorest class of people in America. As you have heard so many times before, over 20 percent of children under age 18 live in poor families -- one in five. It comes as no great surprise that among these children hunger and undernutrition are growing problems. That is the bad news. The good news is that, while we as a country can not solve all of our social ills at once, we can do something about hunger among children.

That's why, in large part, we have child nutrition programs. These programs allow poor children nutritious meals and as a result access to equal educational opportunity. As my colleague Lynn Parker pointed out in The Relationship Between Nutrition and Learning: A School Employee's Guide to Information and Action: "If you care about education, you should care about nutrition because nutrition has a strong physical, emotional, and intellectual impact on a child's ability to learn." Indeed, as Merrill S. Read argues in Malnutrition and Behavior, "...nutrition is one of the most pervasive factors influencing growth, development and health. It is, in fact, central to child

development." The thrust of my testimony will deal with the threat to the nutritional status of all children, but particularly low-income children, by potential cuts in subsidies to schools for meals served to children whose family income exceeds 185%. I will also present FRAC's legislative recommendations for improving the nutritional status of low-income children by providing them increased access to child nutrition programs through amendments to H.R. 24, the FY1990 Child Nutrition Reauthorization Bill. Our principal focus this year will be a request for increased funding for WIC and changing the program from a discretionary program to a mandatory spending program.

Mr. Chairman, before discussing H.R.24 in detail, I would like to comment on the budget.

The Bush Budget Plan

It appears that the Bush budget plan, unlike the plan submitted by President Reagan, provides a current services budget for School Lunch, Breakfast, Child Care Food and other related child nutrition programs.

What then is the effect of the administration's budget plan on

School Lunch, Child Care Food and other child nutrition programs? Can we actually expect no cuts in child nutrition programs? The answer is very unclear. In a campaign position paper titled "Invest In Our Children" (issued October 1988) Candidate Bush stated that he would: "...request sufficient funding for important programs designed to reach young children -- such as the school lunch program, and the Women, Infants, and Children's program." However, after reading the President's FY1990 Budget Plan, "Building A Better America", the only definitive statement that can be made is that cuts in the school lunch and related programs are technically out of the Bush budget but not off the bargaining table in any White House/Congressional Budget Summit. The reason is that the administration is seeking \$21 billion in cuts in domestic programs. (This includes \$11 billion in Medicare, farm price supports and cuts in COLA's for selected retirement programs and approximately \$10 billion from primarily non-defense discretionary programs in the so-called "Black Box".)

Regrettably, while the new Administration has frequently indicated a desire to increase funding for the Special Supplemental Food Program for Women, Infants and Children (WIC), this program is in the "Black Box". Programs in the "Black Box" are collectively subject to an outlay freeze, i.e., funding in FY1990 at the same level as in FY1989. The Senate Budget Committee staff analysis of the Bush Budget points out that approximately 150,000 fewer participants could be served if such

an outlay freeze were implemented in the WIC program. Any funding increase in FY1990 for WIC would have to come at the expense of a substantial cutback in another program. I would submit that funding for school lunch, WIC and related programs remains at risk during the budget debate. It is entirely possible that the new administration could advocate all or part of the Reagan cuts in child nutrition. In fact, in answer to questions presented by the Senate Agriculture Committee, Secretary Yeutter expressed support for such cutbacks. As part of the confirmation hearing process, Senator Harkin asked the Secretary if he viewed Section 4 subsidies as a transfer payment to individual children or as a grant-in-aid to schools to support the basic structure of a school lunch program that allows a local community to serve all children including poor and middle class children. The Secretary responded, "...the proposal to eliminate Section 4 funding will not in the judgement of FNS, undermine the infrastructure of the National School Lunch Program because free and reduced price subsidies, State and local contributions and student revenues will continue to pay for basic operating expenses, such as kitchen staff and overhead." We disagree.

Other members of the Agriculture Committee, including Senators Lugar and Boschwitz, raised similar questions on school lunch. The Secretary's responses to their questions also indicated that the threat to school lunch and other child nutrition programs remains real. For the record, we opposed the Reagan

Administration's proposals for reductions in child nutrition spending.

We believe that the elimination of cash and commodity subsidies, popularly known as "Section 4", has the potential to adversely affect the nutrition and health status of low-income children participating in federal child nutrition programs. The FY1982 cuts demonstrated that when the price of a school lunch goes up, students begin to drop out and when too many students drop out, the program closes, leaving poor children with the option of going hungry or paying full price for a lunch contracted for by the school. With the increased evidence of the relationship between nutrition and learning, terminating this subsidy is foolhardy national policy. Simply stated: Hungry Children Can Not Learn As Well As Other Children!

The U.S. Department of Agriculture's 4 year \$4 million study, The National Evaluation of School Nutrition Programs, found a direct link between the price of school lunch and student participation. This study concluded: "The price that a student pays for the meal is the most important single variable that affects the frequency of lunch participation. For school lunches above a price of 80 cents, it is estimated that a 10% increase in price will yield a 10% or higher decrease in participation."

The American School Food Service Association estimates

conservatively that between 10,000 - 15,000 schools and 5 to 8 million children will drop out of the school nutrition programs if this subsidy is eliminated. Citing a Library of Congress study, ASFSA has stated that as many as 43,000 schools with more than 21 million students may be "at risk" of dropping out of the National School Lunch Program. In FY1982, 2,000 schools and over 2 million children (including over 750,000 low income children) dropped out of the School Lunch Program and 650 schools and nearly 500,000 children dropped out of the Breakfast Program after an 11 cent cut in the lunch subsidy and a smaller cut in the breakfast subsidy were implemented. The cuts in reimbursement rates and other factors clearly had an impact on certain school boards deciding whether or not to continue participating in the National School Lunch Program -- a voluntary program.

A separate but related concern is that since there are no schools in the country that offer a school breakfast but not a school lunch, the impact of this "school lunch cut" on the potential expansion of the School Breakfast Program can not be overestimated.

Will the Reagan child nutrition cuts reappear in the White House/Congressional Budget negotiations? The Washington Post reported yesterday that the Bush budget plan will in fact use "some" of the Reagan cutback proposals as a starting point. Is

child nutrition one of the proposals? It is still unknown.

The release of a Congressional Budget Office option paper, which includes a proposal to eliminate "cash subsidies" to schools for students whose families' incomes exceed 185% of poverty is yet another indication that child nutrition cutback proposals are still alive. These programs are subject to cuts in the budget and reauthorization processes, and the child nutrition community intends to remain vigilant about all attempts to cut those programs.

I would urge the Committee to question the Secretary at the Committee's March 23rd hearing on what the current position of the Department is on Section 4 payments to schools for meals served to students whose family income exceeds 185% of poverty. Are these cuts out of the budget but still on the bargaining table?

The budget battle is a major priority and we believe that school lunch and child nutrition programs need to be fully funded if these programs are to achieve their stated purpose: "...as a measure of national security, to safeguard the health and well being of the Nation's children.." Children are what the school lunch program is all about. In a recent speech at the American School Food Service Association Industry Seminar, Senator Tom Harkin described America's schools, classrooms and lunchrooms in

the words of Margaret Mead in the following manner, "We must have a place where children can have a whole group of adults they can trust." The Education and Labor Committee is such a place as well. We urge rejection of these cuts!

Mr. Chairman, I would like to turn now to H.R.24

The FY1990 Child Nutrition Reauthorization Bill, HR24

FRAC's Recommendations

1. Increased Funding for the Special Supplemental Food program for Women, Infants and Children (WIC)

We support a mandatory funding increase for WIC of \$150 million each year for the length of the reauthorization bill. A growing list of national organizations and the private sector also support increased funding for WIC and I have attached a list of such organizations that have endorsed a Petition for an Assured WIC Funding Increase.

For the past two years, the Budget Resolution has contained \$150 million in new funding for WIC, but last year the appropriation only allowed for \$55 million in new funding. The Appropriations Committee has given WIC modest increases over the last several

years. Each year this committee has been forced to choose among competing priorities within each subcommittee. This process is complicated by the fact that spending allocations to key House and Senate appropriations subcommittees have varied widely. Developing a new approach for assured funding would be one way of conforming budget assumptions for WIC spending to the realities of the appropriations process and not place the Appropriations Committee in the impossible position of trying to allocate too few funds to too many programs.

As a way to "assure increased funding", we recommend that WIC be changed from a discretionary program to a program which receives a guaranteed increase. We are not seeking entitlement status for WIC, even though nearly all other child nutrition programs are entitlements. In a pure entitlement program, all who are eligible can participate and Congress is required to appropriate the funds. We are taking a somewhat different approach by asking that the budget and authorizing committees guarantee the increases that they have only "assumed" -- and that often have not ultimately been appropriated -- in the past. In practical terms, we are recommending that \$150 million above current services (new money) be added each year to WIC over the life of the Child Nutrition Reauthorization Bill. We believe that this funding level, coupled with program expansion through funds saved through infant formula rebates and added through state supplemental funds will, over a four to five year period, bring

us close to serving most of the eligible WIC population.

2. Increasing access for low-income children in the Summer Food Service Program for Children

There are 24 million children who receive a school lunch daily in the United States, for 9 months of the school year. USDA studies have shown that low-income children receive anywhere from 1/3 to 1/2 of their total daily nutrient intake from this lunch. The Summer Food Program is designed to provide the same nutritious meals to children as the School Lunch Program. Indeed, a recent study of the Summer Food Programs (1988) found that 94% of the meal sites served lunches that provided at least one third of the Recommended Dietary Allowances, the same nutrition standard for the School Lunch Program. Yet, this study showed that in FY1986, this program only served 1.5 million children in the peak month of July.

What happens to the other 10 million low-income children during the summer? Food banks often tell us that their greatest need for food is not Thanksgiving or Christmas but "summer, when the kids are out of school."

A principal reason that low-income children do not have access to the Summer Food Program is that Congress, at the urging of the

Reagan administration, eliminated private non-profit sponsors from the program in 1981.

Now only schools and public entities like city governments and residential camps can sponsor programs. Some local governments have not been interested in sponsoring the program and many school systems close for the summer. As a result, millions of low-income children have access to nutritious meals for only 9 months of the school year. Limited restoration of private nonprofit sponsorship to the Summer Food Program will allow access to this program for low-income children. Currently, there is a 5-state demonstration project in Arkansas, Nevada, Massachusetts, North Carolina and Texas, which allows private non-profit sponsors to participate. Every state should be allowed to have such sponsors if this program is expected to reach more needy children.

3. Provide Start-up and Outreach Funds for the School Breakfast Program

New research shows that eating breakfast at school is associated with significant improvement in achievement test scores, and reduced rates of tardiness and absenteeism. Yet only one-third of the schools that have a school lunch program offer a school

breakfast program. As a financial incentive for local schools to initiate a program, we need \$10 million in start-up funds. The provision of start-up funds would enable schools to enlarge refrigeration capacity and make necessary administrative adjustments. Outreach funds are needed so that parents and school officials can learn about the benefits of school breakfast and obtain information which could help them in making the decision to initiate a School Breakfast Program.

The Food Research and Action Center has initiated a national campaign to expand the School Breakfast Program. Nearly 50 national organizations have endorsed this campaign to provide parents and local school boards with information on how to start a school breakfast program. If the school breakfast program is going to expand locally, it will be critical that school administrators, parents, school food service workers and nutrition program advocates work together. But Congress can also play an important role in this effort. In addition to providing start-up and outreach funding, we would recommend that state agencies be required to target which schools with significant proportions of low-income students will be part of their state agencies' efforts to expand the school breakfast program in their states. Also, we urge a requirement that USDA and its regional offices provide training and technical assistance to State Departments of Education and groups within the nutrition community on how to start a quality school breakfast program.

4. Child Care Food Program (CCFP)

Low-income children need access to CCFP and improved nutritional services. Congress could support this goal by:

- o changing the definition of eligibility for "for-profit sponsors" who currently must have 25% of their children receiving title XX to a new eligibility standard: requiring that 25% of their children be eligible for free and reduced priced meals.
- o simplifying and minimizing paperwork requirements
- o providing an additional meal or snack for children in family day care homes

5. Nutrition and Education Training Program

The NET Program is a health and nutrition promotion as well as a disease prevention program, authorized in 1977 under Public Law

95-166 which amended the Child Nutrition Act of 1966.

The goals of the program include:

- o reaching children with information about the nutritional value of foods and the relationships among food, nutrition, and health;
- o helping integrate effective nutrition learning activities into instruction at all grade levels from preschool through high school;
- o assuring that nutritious, appealing, safe meals and snacks are served in schools and child care facilities.

NET is one of the most successful nutrition programs, but is severely underfunded. Funds are needed for:

- o updating elementary nutrition curricula for schools and child care centers (currently 8 years out of date)
- o developing curricula for teaching the U.S. Dietary Guidelines to all age groups

- o training new teachers and food service personnel in nutrition education techniques

There is a need to raise the \$5 million authorization level for NET, which represents the sole federal source of funding for the nutrition education of children in the federal budget. The Child Nutrition Programs provide children access to food and NET provides our children with information on the importance of wise choices in selecting which foods to eat.

PETITION FOR ASSURED WIC FUNDING INCREASE

Whereas, the Special Supplemental Food Program for Women, Infants and Children (WIC) provides supplemental food, nutrition education and referral to health care to low income pregnant women, new mothers and young children at nutritional risk;

Whereas, the WIC program was designed to be a preventive program to safeguard the health and well-being of these groups of people who are at critical growth periods;

Whereas, research findings have shown that WIC participation has resulted in a reduction in the late fetal death rate, a reduction in the chances of having a baby born at low birthweight, fewer premature births, an increase in the number of women seeking early prenatal care, an increase in the head size of infants born to WIC participants, and appears to lead to better cognitive performance in children;

Whereas, the WIC program was found to be cost-effective by a study conducted at the Harvard School of Public Health showing that each \$1 spent on the prenatal component of WIC saved \$3 in hospitalization costs associated with low birthweight and by a study conducted by the Missouri

Department of Health which found that every \$1 invested in WIC's prenatal component saved 49 cents in Medicaid costs for newborns during the first 45 days of life;

Whereas, in the last year and a half, the Committee for Economic Development, the National Commission to Prevent Infant Mortality, the American Agenda report from former Presidents Gerald Ford and Jimmy Carter to the President-elect, and the Council on Competitiveness have all made recommendations for major WIC expansion;

Whereas, WIC enjoys strong bi-partisan support in Congress, where in 1987, a bi-partisan group of more than 200 members of the House of Representatives signed a letter calling for funding increases, while in 1988, more than 60 Senators signed similar letters;

Whereas, in 1986, over 75,000 Americans signed a Campaign to End Hunger and Homelessness petition urging WIC funding for all eligible women, infants and children by the end of this presidential term;

Whereas, primarily due to inadequate federal funding, the WIC program currently serves only about half of the women, infants and children who are eligible;

Whereas, in order to reach women, infants and children who are currently eligible but unserved, WIC funding needs to be increased in sure and steady increments over several years and states need to be able to count on and plan for these increments;

Whereas, the current "discretionary" funding nature of WIC often makes it impossible for states to know their WIC funding level for a fiscal year until several months into the year and can subject program funding to fluctuation;

Whereas, the reauthorization of the WIC program during 1989 can modify the funding procedures used in the program and establish funding levels for the program for the next four to five years;

Therefore, be it resolved, the organizations listed below support establishing WIC as a "mandatory" spending program with a specific funding level for each year that is covered by the reauthorization; and

Further, be it resolved, the listed organizations support setting the funding at levels that would provide increments of \$150 million plus inflation each fiscal year over the previous year's funding level.

CHILD NUTRITION FORUM

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Laura DeKoven Waxman
U.S. Conference of Mayors
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Nancy Hirschbein
YWCA of the USA
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NATIONAL ORGANIZATIONS ENDORSING THE PETITION FOR ASSURED WIC FUNDING INCREASE (As of March 2, 1989)

Amalgamated Clothing and Textile Workers Union
American Association of School Administrators
American Dietetic Association
American Federation of Government Employees
American Federation of State, County and
Municipal Employees
American Federation of Teachers
American Home Economics Association
American Medical Student Association
American Nurses Association
American Public Health Association
American School Food Service Association
Association of Community Organizations for
Reform Now
Association of Junior Leagues
Bread for the World
Center for Community Change
Center for Science in the Public Interest
Center on Budget and Policy Priorities
Child Welfare League of America
Children's Defense Fund
Children's Foundation
Coalition on Human Needs
Communications Workers of America
Community Nutrition Institute
Congress of National Black Churches
Consumer Federation of America
Council of Chief State School Officers
Council of Great City Schools
Epilepsy Foundation of America
Family Service America
Food Research and Action Center
Friends Committee on National Legislation
Interfaith Action for Economic Justice
International Federation of Professional and
Technical Engineers
International Ladies Garment Workers Union
International Reading Association
Jobs with Peace Campaign
Lutheran Office for Governmental Affairs
March of Dimes Birth Defects Foundation
Mennonite Central Committee, Washington Office
National Anti Hunger Coalition
National Association for Retarded Citizens
National Association of Community Action Agencies
National Association of Community Health
Care Centers
National Association of Homes for Children

National Association of Social Workers
 National Association of State Agencies for Food Distribution
 National Association of Wheat Producers
 National Black Caucus of State Legislatures
 National Coalition for the Homeless
 National Community Action Foundation
 National Conference of State Legislatures
 National Congress of American Indians
 National Council of Jewish Women
 National Council of La Raza
 National Council of Senior Citizens
 National Education Association
 National Farmers Union
 National Grange
 National Milk Producers Federation
 National Office of Jesuit Social Ministries
 National Organization for Women
 National Perinatal Association
 National PTA
 National Puerto Rican Coalition
 National Rural Health Association
 National Rural Housing Coalition
 National Student Campaign Against Hunger
 National Urban League
 National Welfare Rights Union
 National Women's Law Center
 National Women's Political Caucus
 NETWORK: A Catholic Social Justice Lobby
 Office of Public Policy, Women's Division
 United Methodist Church
 Project Vote
 Public Voice for Food and Health Policy
 Results
 Religious Action Center
 Rural Coalition
 Service Employees International Union
 Society for Nutrition Education
 Unitarian Universalist Association of Congregations in North
 America, Washington Office
 United Auto Workers
 United Church of Christ, Office of Church and Society
 United Food and Commercial Workers
 United Mine Workers of America
 U.S. Catholic Conference
 U.S. Conference of Mayors
 Villers Advocacy Associates
 Washington Office, Church Women United
 Washington Office, Episcopal Church
 Washington Office, Presbyterian Church USA
 World Hunger Year
 YWCA of the USA

Mr. MARTINEZ. Thank you, Mr. Cooney.

We will now hear from Ms. Dorothy Pannell.

Ms. PANNELL. Mr. Chairman, thank you and members of the committee. I am Dorothy V. Pannell, Director of Food Services for Fairfax County Schools. We are serving over 100,000 customers a day in a 170 schools.

We serve 17 senior citizen programs Meals-on-Wheels, ninety extended daycare programs, 24 daycare programs, 32 Head Start Programs, and we are delivering and storing food for distribution to the needy people in Fairfax County.

I am representing today the Association of Schools for an Alternative to Commodities. We appreciate this opportunity to testify today on their behalf. We feel so strongly about the alternative to the USDA Commodity Program that over one-third of our members are here today representing states from as far as Washington State and California.

We want to thank you for allowing us to continue on the Alternative after the study's completion. We are here today to ask for some permanency in our situation. The uncertainty of not knowing when or if we will have to return to commodities makes it difficult to do any long-range planning.

Would you please amend H.R. 24 to grandfather the school districts that are presently receiving one of the two alternatives? You would not be setting a precedent since the State of Kansas was grandfathered to receive the Alternative CASH in the late 1970s.

Also, several of our school districts have lost funding as a result of being on the study back in 1981 and '82. The change in the method used by USDA to provide us with bonus commodities in mid-year resulted in us losing money.

In Public Law 100-356, which was enacted last year, you required payment be made to seven of the school districts. Some received payment in full and some received partial payment. The remaining school districts would like to have their money returned, also.

We recommend that the loss be figured on USDA records of the differences between the amount of bonus commodities that these school districts received in the school year 1981-1982 and what we received in 1982-83.

Some of you may be new to the idea of an Alternative to Commodities. Briefly, I'd like to explain that 66 school districts participated in the 1981-84 study. One-half of the school districts received a voucher called a Commodity-Letter-of-Credit for entitlement commodities. One-half received CASH.

The Commodity-Letter-of-Credits are very specific in generic foods. For example, we will receive CLOCs for apples, turkeys, beef, salmon, whatever happens to be the commodity that the USDA is trying to remove from the market.

When we receive a CLOC, we proceed to buy the foods from the domestic sources in the form and size pack we prefer, delivered when we need it as long as it is within the specified time.

We proved in the study that the voucher system would work for the smallest school district to the largest school district. Also, the agricultural economists found no negative effects on agriculture. The quality control experts from USDA found no negative effects on the quality of food served children.

The nutritionists found no negative effect on the nutritional value received by the children in the schools testing the alternatives.

During this study, we found that there was a better way of obtaining foods from USDA that they wished to remove from the market. As an association, we agree that the advantages of an alternative to the commodity program are as follows.

Food is more economical when the school district purchases it locally. The USDA can buy some foods for less than we can locally, but at the point of service, the food is costing us more when we receive it from USDA than when we purchase it locally due to the expense of transportation, storage, handling and processing of the food. Back in the beginning of the study, we found that we could reduce food costs by as much as ten percent in Fairfax County.

Number two, it is much easier for a school district to plan its menus when it knows what to expect.

Then, some commodities have caused increased waste and have lower student participation. Turkey, for example, has many uses; however, USDA usually gives it to the school districts as whole turkeys. Sure, you can have it processed but in the processing contract, the item is being customized for the customer and it does cost more than having bought the item through a bid process.

We can do more business locally, using one of the Alternatives to Commodities and we want to do our business locally. For example, apples we purchase in the State of Virginia, either from Virginia or Pennsylvania, whereas our counterparts can purchase their apples in California and Washington State from Washington State if that be their choice, rather than us receive in Virginia apples from the State of Washington.

If the school districts are expected to purchase seventy percent of the food we now use, why not one hundred percent? We also can utilize more fresh fruits and vegetables when we are purchasing food locally. It is impractical and undesirable for USDA to try to deliver fresh produce under the Commodity Program.

We are able to reduce our labor costs and our labor needs as a result of being able to purchase the food locally. We can purchase it in the form we can use it. For example, right now, there is a tremendous labor shortage in a number of parts of the country.

In Fairfax right now, we cannot find enough labor to fill our positions. There is no way we can produce hamburger rolls from raw ingredients. There is absolutely no way to find the labor, if we could afford it.

Across the country, labor costs will cause School Lunch programs to price themselves out of business unless real effort is made to reduce costs. The Federal reimbursement rates have not quite kept up with the cost increases that school districts are experiencing.

Most local school districts are presently subsidizing their school lunch program, but as their budgets become tighter, this will not be practical for them to continue. We are able to increase the acceptability and variety in our menus and we can increase participation using one of the Alternatives to Commodities.

We also find that there is increased flexibility. We can stabilize our quality and have increased quality control. We can reduce our inventory and we can save money there. As a matter of fact, the

study showed an average of a 33 percent reduction in inventory during the four years.

We also are a lot fairer to our local farmers, to our distributors and to our brokers. When we put out a bid, they depend on us to take the full quantity that we have estimated, if it be potatoes, pears or whatever.

When we end up getting a commodity that we did not expect, we cannot sometimes meet our commitment to these bids, and it is difficult for distributors to do their planning, as well.

We also have reduced storage and delivery costs. Jean McCall, for example, from Loudon County, Tennessee, serves 3700 a day. She says it has saved her considerably on transportation and storage.

It also reduces hassle. The arrival of several truckloads of USDA commodities at one time presents problems. Not receiving your whole turkeys before Thanksgiving is a real last-minute problem. Receiving USDA ground beef that has to be recalled—those are what I mean by hassles.

Also, on the program, we can buy a lot more domestic food. Because our bid contracts are listing domestic foods, we tend to buy more of our food from domestic sources as a result.

On the CLOC program, we do have to use our money for purchase of domestic foods and I think it has had some side benefits in that we, too, influence our distributors. If they are having to buy tuna from a local or domestic source, they are probably going to use that same tuna to distribute to their restaurants and other food services.

The value of the Commodity Program can be greater for more American farmers than any commodity program where USDA purchases food.

In closing, the Association of Schools for an Alternative to Commodities, is asking you to please allow all sites presently in Alternative to Commodities Programs to continue on a permanent basis.

Thank you for allowing me to testify.

[The prepared statement of Dorothy V. Pannell follows:]

STATEMENT
OF
SCHOOLS FOR AN ALTERNATIVE TO COMMODITIES
BEFORE THE
COMMITTEE ON EDUCATION AND LABOR
SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND
VOCATIONAL EDUCATION
UNITED STATES HOUSE OF REPRESENTATIVES

MARCH 2, 1989

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, I AM DOROTHY V. PANNELL, DIRECTOR OF FOOD SERVICES, FAIRFAX COUNTY (VA) PUBLIC SCHOOLS, REPRESENTING TODAY THE ASSOCIATION OF SCHOOLS FOR AN ALTERNATIVE TO COMMODITIES. WE APPRECIATE THIS OPPORTUNITY TO TESTIFY TODAY ON BEHALF OF THE SIXTY-TWO SCHOOL DISTRICTS RECEIVING AN ALTERNATIVE TO THE USDA COMMODITY PROGRAM. WE BELIEVE SO MUCH IN THE ALTERNATIVES FOR ENTITLEMENT COMMODITIES THAT OVER ONE-THIRD OF OUR SCHOOL DISTRICTS ARE REPRESENTED HERE TODAY FROM AS FAR AWAY AS CALIFORNIA AND WASHINGTON STATE. WE BELIEVE AN ALTERNATIVE TO THE COMMODITY PROGRAM IS THE WAY OF THE FUTURE AND EVENTUALLY ALL WILL AGREE.

PERMANENT ALTERNATIVES AND COMPENSATION FOR LOSSES

WE WANT TO THANK YOU FOR ALLOWING US TO CONTINUE ON THE ALTERNATIVES AFTER THE STUDY'S COMPLETION. WE ARE HERE TODAY TO ASK FOR SOME PERMANENCY IN OUR SITUATION--THE UNCERTAINTY OF NOT KNOWING WHEN OR IF WE'LL HAVE TO RETURN TO COMMODITIES MAKES IT DIFFICULT TO DO ANY LONG-RANGE PLANNING.

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WOULD YOU PLEASE AMEND H.R.24 TO GRANDFATHER THE SIXTY-TWO SCHOOL DISTRICTS, WHEREAS WE WILL CONTINUE TO RECEIVE ONE OF THE TWO ALTERNATIVES. YOU WOULD NOT BE SETTING A PRECEDENT SINCE THE STATE OF KANSAS WAS GRANDFATHERED TO RECEIVE THE ALTERNATIVE CASH IN THE LATE 1970s.

ALSO, SEVERAL OF OUR SCHOOL DISTRICTS LOST FUNDING IN 1982-83 WHEN METHODOLOGICAL CHANGES WERE MADE IN MID-YEAR BY THE ADMINISTRATION IN HOW THE BONUS COMMODITIES WOULD BE HANDLED FOR THE SITES PARTICIPATING IN THE STUDY OF ALTERNATIVES TO COMMODITIES. IN ACCORDANCE WITH PUBLIC LAW 100-356, ENACTED ON JUNE 28, 1988, YOU REQUIRED THAT PAYMENT BE MADE TO SEVEN OF THE SCHOOL DISTRICTS, SOME RECEIVED PAYMENT IN FULL AND OTHERS PARTIAL PAYMENTS. THE REMAINING SCHOOL DISTRICTS THAT LOST MONEY WOULD LIKE THE SAME TREATMENT. WE RECOMMEND LOSS BE FIGURED ON USDA'S RECORD OF THE DIFFERENCES BETWEEN THE AMOUNT OF BONUS COMMODITIES USED BY THE SCHOOL DISTRICTS IN SCHOOL YEAR 1981-82 AND WHAT THEY RECEIVED IN BONUS COMMODITY ASSISTANCE DURING SCHOOL YEAR 1982-83.

OVERVIEW OF THE ALTERNATIVES TO COMMODITIES

SOME OF YOU MAY BE NEW TO THE IDEA OF AN ALTERNATIVE TO COMMODITIES. BRIEFLY, I'D LIKE TO EXPLAIN THAT 66 SCHOOL DISTRICTS PARTICIPATED IN THE 1981-84 STUDY. ONE-HALF OF THE SCHOOL DISTRICTS RECEIVED A VOUCHER—OR COMMODITY—LETTER-OF-CREDIT FOR ENTITLEMENT COMMODITIES—AND ONE-HALF

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RECEIVED CASH. THE COMMODITY-LETTERS-OF-CREDIT (CALLED CLOCs) ARE FOR SPECIFIC GENERIC FOODS, E.G. APPLES, TURKEY, BEEF, SALMON, ETC. ONCE WE RECEIVE A CLOC WE PROCEED TO PURCHASE THE FOODS FROM DOMESTIC SOURCES IN THE FORM AND SIZE PACK WE PREFER, DELIVERED WHEN WE NEED IT AS LONG AS IT IS WITHIN THE TIME SPECIFIED.

WE PROVED IN THE STUDY THAT THE VOUCHER SYSTEM WOULD WORK FOR THE SMALLEST TO THE LARGEST SCHOOL DISTRICT. ALSO,

- THE AGRICULTURAL ECONOMISTS FOUND NO NEGATIVE EFFECT ON AGRICULTURE.
- THE QUALITY CONTROL EXPERTS FROM USDA FOUND NO NEGATIVE EFFECTS ON QUALITY OF FOOD SERVED CHILDREN.
- THE NUTRITIONISTS FOUND NO NEGATIVE EFFECTS ON THE NUTRITIONAL VALUES RECEIVED BY THE CHILDREN IN SCHOOLS TESTING AN ALTERNATIVE.

SINCE CLOCs DO DESIGNATE FOODS, THE VOUCHER CAN MOVE SURPLUS FOODS. THOSE ON THE CASH ALTERNATIVE HAD NO PROBLEM HANDLING THEIR ALTERNATIVE; HOWEVER, THERE IS NO TIE TO SPECIFIC FARM PRODUCTS.

ADVANTAGES TO ALTERNATIVES

DURING THE STUDY, WE FOUND THERE WAS A BETTER WAY OF OBTAINING THE FOODS USDA WANTED TO REMOVE FROM THE MARKET. AS AN ASSOCIATION, WE AGREE THAT THE ADVANTAGES OF AN ALTERNATIVE TO THE COMMODITY PROGRAM ARE:

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1. FOOD MORE ECONOMICAL TO THE SCHOOL DISTRICT WHEN PURCHASED LOCALLY AS NEEDED. USDA CAN BUY SOME FOODS AT A BETTER PRICE, BUT AT THE POINT OF SERVICE, THE PRICE OF THOSE FOODS IS GENERALLY MUCH HIGHER THAN WHEN THE PRODUCT IS PURCHASED LOCALLY. THIS IS DUE TO EXPENSES INVOLVED IN TRANSPORTING, STORING, HANDLING, AND PROCESSING FOODS INTO USABLE PRODUCTS. BACK IN THE BEGINNING OF THE STUDY WE REDUCED OUR FOOD COST BY 10 PERCENT.
2. MUCH EASIER FOR A SCHOOL DISTRICT TO PLAN MENUS WHEN WE MAKE THE PURCHASE BECAUSE WE ARE IN CONTROL OF WHEN FOOD WILL ARRIVE.
3. SOME COMMODITIES CAUSE INCREASED WASTE AND LOWER STUDENT ACCEPTANCE. TURKEY, FOR EXAMPLE, HAS SO MANY USES, SUCH AS TURKEY HAM, BOLOGNA, SALAMI, AND HOT DOGS. THE COMMODITY DISTRIBUTION PROGRAM GIVES LITTLE VARIETY, GENERALLY WHOLE TURKEYS. YES, WE CAN HAVE THEM PROCESSED. THE PROCESSING PRICE PER POUND FOR CUSTOMIZED ITEMS, SUCH AS TURKEY HAM AND TURKEY SALAMI, HOWEVER, IS MORE THAN WHAT WE PAY FOR A GOOD QUALITY TURKEY HAM AND SALAMI ON BID.

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4. WE CAN DO MORE BUSINESS LOCALLY USING ONE OF THE ALTERNATIVES TO COMMODITIES. WE ALL WANT TO DO BUSINESS LOCALLY, WHICH MAKES SENSE. FOR EXAMPLE, APPLES WE PURCHASE COME FROM PENNSYLVANIA AND VIRGINIA, NOT WASHINGTON STATE. OUR FRIENDS IN CALIFORNIA AND WASHINGTON STATE IN TURN CAN PURCHASE THEIR APPLES LOCALLY. IF SCHOOL DISTRICTS ARE EXPECTED TO PURCHASE 70 PERCENT OF THE FOODS USED IN THE SCHOOL LUNCH PROGRAM, WHY NOT 100 PERCENT?
5. UTILIZE MORE FRESH FRUITS AND VEGETABLES, WHEREAS IT IS IMPRACTICAL AND UNDESIRABLE FOR USDA TO TRY TO DELIVER FRESH PRODUCE UNDER THE COMMODITY PROGRAM.
6. REDUCED LABOR HOURS NEEDED AND LABOR COST. MOST OF THE USDA COMMODITIES ARE RAW INGREDIENTS, WHICH REQUIRE NUMEROUS HOURS OF PREPARATION TIME. THIS WILL BE MORE AND MORE OF A PROBLEM OVER THE NEXT FIVE YEARS AS OUR LABOR SHORTAGE FOR SERVICE EMPLOYEES INCREASE. WE CAN NO LONGER AFFORD THE LABOR OR FIND THE LABOR IN FAIRFAX, VIRGINIA, TO MAKE HAMBURGER ROLLS FROM RAW INGREDIENTS. THE AUTOMATED BAKERIES CAN MAKE A BETTER ROLL FOR LESS THAN WE CAN.

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BETTY BENDER, DIRECTOR OF FOOD SERVICES, DAYTON (OH) SCHOOL DISTRICT, SAYS, "I CANNOT AFFORD TO ACCEPT FREE BUTTER THAT I HAVE TO PAY EMPLOYEES AN AVERAGE OF \$14.00-\$16.00 PER HOUR TO CUT." INSTEAD, SHE PURCHASES PRE-CUT MARGARINE.

ACROSS THE COUNTRY, LABOR COSTS WILL CAUSE SCHOOL LUNCH PROGRAMS TO PRICE THEMSELVES OUT OF BUSINESS, IF EFFORTS ARE NOT MADE TO REDUCE THE COSTS. FEDERAL REIMBURSEMENT RATES HAVE NOT QUITE KEPT UP WITH THE COST INCREASES SCHOOL DISTRICTS HAVE EXPERIENCED. MOST LOCAL SCHOOL DISTRICTS ARE PRESENTLY SUBSIDIZING THEIR LUNCH PROGRAM, BUT AS THEIR BUDGETS GET TIGHTER, THEY ARE HAVING TO PASS ON MORE AND MORE OF THE COSTS TO SCHOOL FOOD SERVICE PROGRAMS.

7. INCREASES ACCEPTABILITY AND VARIETY IN MENUS, WHICH MEANS INCREASED PARTICIPATION. GAYLE M. MORAN, SUPERVISOR OF FOOD SERVICES, TROY (MI) SCHOOL DISTRICT, SERVING 3,500 A DAY, SAYS, "I TRULY FEEL THAT AN ALTERNATIVE TO THE COMMODITY PROGRAM MUST BE CONSIDERED AS A MEANS OF UPDATING OURSELVES WITH WHAT THE STUDENTS' DESIRES ARE. WE HAVE STRONG COMPETITION WITH FAST FOOD PLACES AND

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CANNOT FORCE STUDENTS TO EAT WHAT WE RECEIVE AS SURPLUS. NUTRITION IS GOOD ONLY IF IT IS CONSUMED.

8. INCREASES FLEXIBILITY.
9. INCREASES QUALITY CONTROL.
10. INCREASED INVENTORY CONTROL AND REDUCED INVENTORY. THE STUDY SHOWS AN AVERAGE REDUCTION OF 33 PERCENT IN INVENTORY. ONE SCHOOL SUPERINTENDENT IN ILLINOIS SAID, "WHEN WE FIRST STARTED ON CLOC, I WAS VERY APPREHENSIVE. WE WERE SO USED TO HAVING OUR SHELVES FULL OF GOVERNMENT COMMODITIES. NOW OUR SHELVES ARE STILL FULL, BUT WITH PRODUCTS WE FEEL OUR STUDENTS ARE MORE EAGER TO ACCEPT. I FEEL THE LUNCH PROGRAM HAS BENEFITED GREATLY."
11. INCREASES FAIRNESS TO LOCAL FARMERS, DISTRIBUTORS, AND BROKERS. DISTRIBUTORS AND BROKERS PLAN THEIR PURCHASES BASED ON QUANTITY ESTIMATES OF SCHOOL DISTRICTS. WHEN USDA SUDDENLY PURCHASES PEARS OR POTATOES, THE DISTRIBUTORS MAY NOT BE GIVEN ANY WARNING. FOR EXAMPLE, ONE OF OUR LOCAL DISTRIBUTORS PURCHASED SEVERAL CARLOADS OF PEARS

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TWO YEARS AGO TO MEET THE REQUIREMENTS OF THE SCHOOL DISTRICTS BECAUSE HE HEARD THERE WAS A SHORTAGE. USDA PURCHASED PEARS AT THAT TIME. IT LEFT HIM WITH A WAREHOUSE FULL OF PEARS.

12. REDUCES STORAGE/DELIVERY COSTS. JEAN McCALL, SCHOOL FOOD SUPERVISOR, LONDON COUNTY (TN) SCHOOL DISTRICT, SERVING 3,700 A DAY, SAYS, "[CLOC] SAVES ON TRANSPORTATION AND STORAGE. THIS PROGRAM WORKS WELL IN BOTH LARGE AND SMALL SYSTEMS. WE KNOW IN ADVANCE WHAT FOODS ARE AVAILABLE. SINCE WE BUY FOODS ONLY IN ACCEPTABLE FORMS, THERE IS LESS PLATE WASTE. WE CAN OPERATE MORE EFFICIENTLY. IT ALSO GIVES US AN OPPORTUNITY TO BUY LOCALLY."
13. REDUCES HASSLE. THE ARRIVAL OF SEVERAL TRUCKLOADS OF USDA COMMODITIES AT THE SAME TIME PRESENTS PROBLEMS; NOT RECEIVING WHOLE TURKEYS UNTIL THANKSGIVING IS OVER MEANS A LAST MINUTE PROBLEM; AND A RECALL OF USDA GROUND BEEF, WHEN THAT IS THE ONLY BEEF YOU HAVE, ARE WHAT I MEAN BY A HASSLE.

THE LEADER OF OUR ASSOCIATION OF SCHOOLS FOR AN ALTERNATIVE TO COMMODITIES, CONNIE HEVLY, FOOD SERVICE SUPERVISOR, SHORELINE SCHOOL (WA) PUBLIC SCHOOLS, SERVING 3,200 A DAY, SAID, "[CLOC] NOT ONLY SAVES IN THE AREAS OF

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FOOD COSTS, TRANSPORTATION, AND STORAGE AND LABOR COSTS, BUT WILL ALSO SUPPORT THE FARM PRICES...IT ENABLES US TO BUY FOOD IN THE FORM KIDS LIKE; WE ARE PAYING LESS THAN USDA IN MANY CASES; IT CUTS DOWN ON WASTE; WE CAN BUY ITEMS EARLIER THAN THEY WOULD BE RECEIVED VIA THE PRESENT SYSTEM." FOR EXAMPLE, SHORELINE SCHOOLS SERVES FRESH SALMON WHEN SALMON IS A CLOC.

ENCOURAGE DOMESTICALLY GROWN FOOD

NOT ONLY DO WE NEED TO ENCOURAGE PEOPLE TO DRIVE CARS MADE IN THE UNITED STATES, WE NEED TO ENCOURAGE THEM TO EAT FOOD GROWN AND PROCESSED IN THE UNITED STATES. YOUR EARLIER LEGISLATION DOES ENCOURAGE THAT. HOWEVER, TODAY, OUR MARKETS ARE FLOODED WITH IMPORTED FOODS. UNDER THE CLOC PROGRAM, WE HAVE TO USE THE MONEY TO PURCHASE FOODS GROWN DOMESTICALLY.

A SIDE BENEFIT OF REQUIRING US TO SPECIFY AND PURCHASE DOMESTIC FOODS HAS BEEN THAT WE NOT ONLY BUY DOMESTIC WITH CLOC MONIES, BUT WE BUY MANY OTHER DOMESTIC FOODS. TODAY, YOU HAVE TO SPECIFY DOMESTIC OR ITEMS LIKE FRUITS WILL COME FROM SPAIN OR AFRICA. OUR DISTRIBUTORS ARE BUYING MANY PRODUCTS ABROAD. RECENTLY, WHEN A TUNA CLOC WAS RECEIVED, WE FOUND IT DIFFICULT TO FIND TUNA PACKED DOMESTICALLY. A DISTRIBUTOR WHO BUYS DOMESTICALLY PACKED FRUITS, TOMATO PRODUCTS, TUNA, ETC. FOR A SCHOOL DISTRICT, IS PROBABLY GOING TO USE THE SAME PRODUCTS FOR THE OTHER CUSTOMERS--GOOD INVENTORY PRACTICE.

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THE VALUE OF A CLOC PROGRAM CAN BE GREATER FOR MORE AMERICAN FARMERS THAN ANY COMMODITY PROGRAM WHERE USDA PURCHASES THE FOOD.

OUR CONCERNS, YOURS AND MINE, HAVE GOT TO BE FOR THE GOOD OF THE PROGRAM. THE STUDY HAS PROVEN, WITHOUT A DOUBT, THAT THE PRESENT COMMODITY SYSTEM IS NOT THE ONLY ALTERNATIVE, REGARDLESS OF THE SIZE OPERATION AND WHERE IT IS LOCATED.

IN CLOSING, THE ASSOCIATION OF SCHOOLS FOR AN ALTERNATIVE FOR COMMODITIES IS ASKING YOU TO PLEASE ALLOW ALL SITES PRESENTLY RECEIVING AN ALTERNATIVE TO THE COMMODITY PROGRAM TO CONTINUE ON A PERMANENT BASIS.

Mr. MARTINEZ. Thank you, Ms. Pannell.

With that, we turn to Robert Greenstein.

Mr. GREENSTEIN. Thank you. I am Robert Greenstein, Director of the Center, which is a nonprofit research and analysis organization here in Washington.

My testimony today will focus exclusively on the WIC Program, but before starting, I do want to note our gratitude that the cuts in the Child Nutrition Program are entirely out of the Bush budget.

We notice that no part, no line, in the Child Nutrition account is under that freeze. All of it is out. We want to commend the committee for its leadership on this on a bipartisan basis and particularly Mr. Goodling for his work over the last couple of months in ensuring that this occurred.

As you know, there is an extensive body of medical research that demonstrates that WIC is one of the nation's most effective social programs. Research finds that WIC has reduced the incidence of late fetal deaths, low birth weight and premature births. It reduces anemia.

It increases the head size of infants born to mothers receiving WIC during pregnancy, which generally means improved brain size. It leads to increased use of prenatal care and improved diets. Evidence also suggests its length to improvement of cognitive skills in children. Research has also found that it helps avert medical costs.

Despite these striking achievements, only about half of the low-income women, infants, and children eligible for WIC are now reached by the program. The other half are left out.

Current state initiatives to reduce infant formula costs and serve more participants are very important, but they can add only about three to four hundred thousand additional people, which is only about one of ten of those who are currently eligible, but unserved.

Mr. Chairman, I think it is striking that over the last year and a half, four very distinguished blue ribbon panels of corporate leaders, health experts and former Presidents of the United States from both parties have singled out WIC as one of the nation's top priorities and called for major expansion of the program.

The Committee for Economic Development, a group of more than two hundred leading corporate executives and university presidents, has rated expansion of WIC as one of our top priorities.

The National Commission to Prevent Infant Mortality, chaired by former Senator Chiles, has noted that the United States has a higher infant mortality rate than any other western industrialized country and called for increased funding of WIC, stating, "WIC has been enormously successful and has been shown to increase the likelihood of a healthy birth"; that "there is strong bipartisan support for WIC but the program has never been funded adequately."

In November, former Presidents Ford and Carter presented their American Agenda report. They assembled leading panels of experts. They called for very austere deficit reduction measures to strengthen the economy.

At the same time, they said there were a small number of programs that we have to invest more in to strengthen the economy, just as we have to reduce the deficit to strengthen the economy;

that these programs represent one of the very best investments this country can make.

They included WIC along with a few other programs under this committee such as Head Start and Chapter One in that list of programs, and said that we should set a national goal of reaching all of the eligible children in these programs and expanding funding for them each year until that goal is reached.

In an accompanying section of the report, Carla Hills and Ed Muskie called for expanding WIC and several of these other key preventive programs and said that that expansion should be the United States' top domestic priority.

Finally, also in November, the Council on Competitiveness also singled out WIC as one of three effective children's programs that ought to be expanded.

The WIC Program has enjoyed bipartisan support in Congress and appropriations for it have increased, but in recent years, the rate of increase has slowed. I note that in each of the past three fiscal years, the budget resolution assumed a funding level for WIC of a hundred to a hundred and fifty million over current services. That would have been modest.

It would have added two to three hundred thousand people a year, which would have been five to seven percent of those eligible, but unserved. Yet, while funding for WIC did increase, it increased by much less than the amounts assumed in the budget resolution.

Last year, the budget assumed a \$150 million increase over current services, but the final appropriations level was 55 million over current services. In the last four fiscal years combined, WIC funding levels fell a cumulative total of \$250 million below the levels in the final Congressional budget resolution.

Federal funding practices for WIC have also had an adverse impact on state operations. Due to the annual appropriations fights and continuing resolutions, funding levels for WIC have generally not been known until December. States do not receive their allocations until January.

What that has often led to is that many states have to freeze their programs and sometimes reduce their caseloads, taking women and children off the program, for the first three to four months of the fiscal year. Then they get their funding level and reverse gears and add people to the program.

Then they get to October 1st and there is a CR and they have to reverse gears again and freeze or reduce the program. It is common for states to make changes several times a year concerning the categories of pregnant women, infants and children who can be allowed to enter and remain on the program and which must be put on waiting lists instead.

States currently have no ability to plan for and institute long-range growth plans to reach more of those who are unserved. I note that WIC is rather unique in that regard. Nearly all programs as large as WIC that provide means-tested benefits to low-income programs on a monthly basis are entitlements.

Nearly all programs of equivalent size that are funded on a discretionary basis provide grants or services, not monthly benefits to low income children.

Looking at all of this, we would like to suggest a proposed remedy that reflects the goals outlined by Senator Chiles in his testimony last month, when he called for expanding WIC on a timetable and making changes in WIC funding procedures, to assure that that occurs.

The remedy we would like to suggest for consideration is the same funding approach used in last year's Hunger Prevention Act to purchase commodity foods for poor families and also in the Welfare Reform Law to support work and training programs for welfare recipients.

It entails specifying a Federal funding amount for WIC for each year covered by the reauthorization and then—and this is the significant change—classifying these amounts as mandatory, rather than discretionary, spending.

For example, the Welfare Reform Law provides \$800 million in 1990 for state employment and training programs, an amount which rises in increments until it hits \$1.3 billion in 1995. Those amounts are mandatory spending and they cannot be shifted to other programs.

The same approach could be followed for WIC. The budget resolution could simply assume the same level of modest annual funding increases as in the past three budgets, but reclassify WIC funds as mandatory spending.

That, in turn, would enable the Education and Labor Committee to revise the authorizing statutes so that the funding levels were made mandatory and that, in turn, would ensure steady planned growth on a timetable in WIC towards the goals espoused by the Committee on Economic Development, the Infant Mortality Commission, American Agenda, the Council on Competitiveness and Senator Chiles's last month.

The alternative is to continue the current system under which WIC expansion could be halted or even reversed in the next few years as a result of intensifying pressures to reduce overall discretionary appropriations.

I want to emphasize at this point that the remedy I am suggesting would not—I want to underscore not—convert WIC into a standard entitlement program. That is not what I am suggesting. Under a standard entitlement, all families or individuals who meet the eligibility criteria are legally entitled to benefits and program costs are open ended.

Under the approach recommended here, those who meet the eligibility criteria are no more automatically entitled to benefits than they are today. Funding would not be open-ended. States would receive a fixed amount of funds, as they do now. They would serve only as many eligible people as the funds allow.

The difference between the proposed funding mechanism and the current funding structure is that under the proposed approach, states would be assured a fixed amount of funds each year and each state would receive its share under the USDA allocation formulas of the mandatory amount established by Congress for a given year.

We envision here the Budget Committees, if they could provide the same level of funding increases as they have done in recent years, classify that as mandatory spending, the Education and

Labor Committee could act accordingly, and we could plan for a multi-year gradual expansion to reach all of the eligibles.

I would finally add that there is a precedent for treating WIC differently than other discretionary programs, and it is the Gramm-Rudman-Hollings law. Under the Gramm-Rudman-Hollings law, a small group of programs are exempt from the across-the-board spending cuts.

All of those are entitlement programs except one. There is only one discretionary program in the entire Federal program that is in the exempt list and that is the WIC Program. Congress has already shown in that fashion that it regards WIC as being somewhat different than other discretions.

WIC at present is the only program that is exempt from across-the-board cuts under Gramm-Rudman, but subject to across-the-board cuts when they are made by Congress in regular appropriations bills.

I hope the committee will seriously consider this idea. It is being examined by a number of individuals and organizations closely connected to the program. It is endorsed, I believe, in the petition signed by 93 groups that Mr. Cooney mentioned and in the past week, it has also been endorsed by the National Association of WIC Directors, whom you heard from last month.

Mr. Chairman, I have some other comments on WIC in my prepared testimony, which I will submit for the record.

[The prepared statement of Robert Greenstein follows:]

TESTIMONY OF ROBERT GREENSTEIN
 DIRECTOR, CENTER ON BUDGET AND POLICY PRIORITIES
 before the
 SUBCOMMITTEE ON ELEMENTARY, SECONDARY,
 AND VOCATIONAL EDUCATION
 of the
 HOUSE COMMITTEE ON EDUCATION AND LABOR

March 2, 1989

I appreciate the invitation to appear before the Subcommittee today. I am Robert Greenstein, director of the Center on Budget and Policy Priorities. The Center is a non-profit research and analysis organization located in Washington, D.C. A major part of its work is devoted to studying public policies affecting low income Americans.

The Center engages in a substantial amount of work on domestic food assistance programs with particular emphasis on the Special Supplemental Food Program for Women, Infants, and Children. WIC has long been a particular interest of ours. Stefan Harvey, the director of the Center's WIC Project, has devoted most of her career for the past 15 years to issues relating to WIC. I had the privilege of serving in 1979 and 1980 as Administrator of USDA's Food and Nutrition Service, which administers WIC and the child nutrition programs.

My testimony here today is focused exclusively on WIC. Before I begin, however, I would like to note our concern about the inclusion in the January 9 budget of the proposal to eliminate all federal support for paid school meals. If enacted, this would pose a significant risk that many schools would drop out of the school food programs. We are grateful that President Bush has withdrawn this proposal.

WIC's Track Record

As members of this Subcommittee know, an extensive body of medical research has demonstrated that the Special Supplemental Food Program for Women, Infants, and Children (WIC) is one of the nation's most effective social programs. WIC has been

found to reduce the incidence of late fetal deaths, to reduce the incidence of low birthweight and premature births, to reduce anemia, to increase the head circumference of infants born to mothers who received WIC benefits during pregnancy, to increase use of prenatal care, and to improve diets. The research evidence also suggests that WIC may be linked to improvement of cognitive skills in children.

WIC also helps avert medical costs. A study conducted at the Harvard School of Public Health found that each dollar spent in the prenatal component of WIC averted three dollars in hospital costs for newborns. (These included both costs borne by government and costs borne by private insurance or absorbed by hospitals.) A subsequent study by the Missouri Department of Public Health found that each dollar spent in the prenatal component of WIC saved 49 cents in Medicaid costs just in the first 45 days after the child's birth. (More information on the medical research on WIC is found in an attachment at the end of this testimony.)

Despite these striking achievements, however, participation in the WIC program remains limited. Only about half of the low income pregnant women, infants, and children who are at nutritional risk and are eligible for WIC are now reached by the program. The other half are left out.

Current state initiatives to reduce infant formula costs and stretch WIC dollars to serve more participants are extremely important and should be strongly encouraged. But these efforts can add only about 300,000 - 400,000 more people to the program -- or about one of every ten who are currently eligible but unserved.

The Recommendations of Business Leaders and Blue-Ribbon Panels

In the last year and a half, four distinguished panels of business and education leaders, former presidents of the United States, and health experts have made

recommendations concerning the WIC program. In every case, the recommendations have been for major expansion.

1. The Committee for Economic Development

In its noted report *Children in Need: Investment Strategies for the Educationally Disadvantaged*, the Committee for Economic Development -- a group of more than 200 corporate executives and university presidents -- called for increased investment in a limited number of cost-effective programs. One of the key programs the CED recommended enlarging was WIC. The CED noted that WIC produces a "reduction in infant mortality and births of low birthweight infants," and that low birth weight leads to health problems and learning disabilities. The report observed that WIC reaches only a fraction of those eligible for it.

2. National Commission to Prevent Infant Mortality.

In August 1988, the National Commission to Prevent Infant Mortality, a blue-ribbon panel chartered by Congress and chaired by former Senator Lawton Chiles, issued a report that calls for a number of changes in government policy to reduce the high U.S. infant mortality rate. (The U.S. now has a higher infant mortality rate than any other western industrialized country.) One of the Commission's principal recommendations is for increased funding for WIC. The Commission stated, "WIC is widely regarded as one of the nation's most successful and cost-effective nutritional intervention programs. Any effort to reduce infant mortality and low birthweight will need to include a strong nutritional component, such as WIC." The report also declared that "WIC has been enormously successful and has been shown to increase the

likelihood of a healthy birth" and that "there is strong bipartisan support for WIC but the program has never been funded adequately."¹

3 American Agenda

In November 1988, former Presidents Gerald R. Ford and Jimmy Carter presented their *American Agenda* report to the President-elect and the nation. In preparing this report, Presidents Ford and Carter assembled panels of leading experts in a number of fields.

While calling for rather austere deficit reduction measures, the two Presidents also called for increased investment in a select group of highly effective programs for poor children. They wrote:

"There is no easy answer to the problem of ingrained poverty. But early intervention is the best opportunity to break the cycle of poverty. There is solid evidence that Federal programs such as Head Start, prenatal care, immunization, the Women's Infant and Children feeding program and compensatory education do work, and offer one of the best investments the country can make in its own people."

The two Presidents stated that despite the budget deficit, these programs must be expanded to serve all children eligible for them:

"Spending public funds for these young Americans is not wasteful, it is wasteful *not* to invest in the medical attention, the education, and the job training that will provide poor children a share in the American opportunity."

"We understand the budget constraints on any expansion of Federal spending programs; but we believe that it would be imprudent to delay any longer on taking Federal action to begin the long process of assisting these children of poverty."

1 In debate on the Senate floor in July 1988, Commission chairman Lawton Chiles observed "Every day that we allow pregnant women or young children to go without adequate nutrition, this country pays a tragically high price, not only in added health costs, but lost lives. It has been demonstrated to me over and over again that the WIC program is one of the most effective of all Federal programs in reducing infant low birth weight, premature births and anemia. Unfortunately, Mr. President, this program is not reaching everyone that is eligible in the population. We ought to be talking about funding 100 percent of this program." (*Congressional Record*, July 29, 1988, S10376-7)

- We recommend that you set a goal of full Federal funding for Head Start, WIC, Compensatory education, prenatal care, immunization and preventive health care programs for all eligible, disadvantaged children within eight years, and
- Move toward that goal by recommending in your Fiscal 1990 budget annual increases of \$2 billion until the goal is reached "

Similarly, in the section of the *American Agenda* report on domestic policy, Carla Hills and Edmund Muskie (the authors of this section of the report) called for expanding "programs of proven effectiveness" including WIC and several other preventive programs for low income children. Hills and Muskie declared that "Expanding them [these programs] is our top domestic priority."

4. Council on Competitiveness.

In late November 1988, the Council on Competitiveness, a group of corporate executives and education and labor leaders, presented its recommendations in *Reclaiming the American Dream. Fiscal Policies for a Competitive Nation*. Like the *American Agenda* report, this document recommended an array of stiff deficit reduction measures, but also called for expansion for a small number of programs including WIC, Head Start, and compensatory education. The Council wrote:

"The early years of a child's life play a large role in determining subsequent educational achievement. Children who lack proper nutrition, health care and parental involvement generally perform more poorly than other children in elementary and secondary school ...

"Early childhood intervention is essential to help promote child development. One effective federal intervention is the Women, Infants, and Children program. Evaluation of the WIC program reveals that it reduces fetal deaths by one-third, reduces premature births among high-risk mothers by 15 to 25 percent; and shows increased brain growth and evidence of cognitive development among pre-schoolers who are WIC participants. WIC currently serves less than half the eligible population ...The program should be expanded to serve more eligible children."

The Legislative Track Record of the Past Few Years

WIC enjoys strong bipartisan support in Congress. In 1987, for example, a bipartisan group of more than 200 members of the House of Representatives signed a letter calling for funding increases, while in 1988, more than 60 Senators signed similar letters. And appropriations for the WIC program have been increasing. Yet after more sizable increases during the recession, the increases have slowed in the past few years.

In each of the past three fiscal years, the Congressional Budget Resolution assumed a funding level for WIC of about \$100 million to \$150 million over the current services level. These funding increases would have been modest -- they would have allowed the program to reach 200,000 to 300,000 additional participants each year, or about five to seven percent of the unserved eligibles.

Yet while funding for WIC did increase each year, it increased by less than the amounts assumed in the Congressional budget resolution. Final funding levels fell below the budget assumptions.

For example, in FY 1989, the budget resolution assumed a \$150 million increase over the current services level for WIC. The final appropriation was \$55 million over current services. In the last four years (FY 1986 -- FY 1989), WIC funding levels fell a cumulative total of about \$250 million below the budget resolution assumptions.

Federal Funding Practices Adversely Affect State WIC Operations

Federal funding practices for WIC have also adversely affected state WIC operations. Because of annual appropriations fights between Congress and the White House, the WIC appropriations level for a given fiscal year is often not known until December of that year. States typically are not notified of their allocations for the fiscal year until January, the fourth month of the fiscal year.

This causes problems for WIC operations and hinders the program's ability to achieve planned, orderly growth to reach more of those who are eligible. For the first third of the fiscal year, many states have to freeze their caseloads. Then once the allocations are issued, states can begin to expand their programs. However, the states are caught in a dilemma. If they do not achieve 12 months worth of expansion in the eight months remaining in the fiscal year, they may return funds unspent to the federal government. If they do achieve 12 months worth of expansion in eight months and spend their full allocation, they run the risk of achieving a year-end participation level that exceeds what the funding level for the following fiscal year may support. At a minimum, they can expect to "jam the brakes hard" on October 1 of the following year, imposing another caseload freeze while waiting for the next year's funding level to be determined.

It thus is common for states to make changes several times a year concerning which categories of eligible women, infants, and children can be allowed to enter and remain on the program, and which must be placed on waiting lists. States have little or no ability to plan for and institute long-range growth plans to reach more of those who are unserved, because they generally have no knowledge of their funding levels for more than about eight months in advance.

It should be noted that WIC is rather unique in this regard. Nearly all programs as large as WIC that provide means-tested benefits to low income children on a monthly basis are entitlement programs. (Subsidized housing is the sole exception.) Nearly all other low income programs of equivalent size that are funded on a discretionary basis provide grants or services, rather than monthly benefits to those meeting certain eligibility criteria.

In sum, there appear to be few, if any, other low income children's programs that are as directly affected by the uncertainties of the appropriations cycle as is WIC.

A Proposed Remedy

We would like to suggest a proposed remedy that could largely address these problems. The remedy reflects the goals outlined by Senator Chiles in his testimony before the Subcommittee last month where he called for expanding WIC "on a set timetable" and for making changes that may be needed in WIC funding procedures to assure that this occurs.

The remedy is to use the same funding approach as was contained in the Hunger Prevention Act of 1988 for the purchase of commodity foods for poor families and also in the new welfare reform law to support work and training programs for welfare recipients. This entails specifying a federal funding amount for WIC for each of the years covered by the reauthorization and then classifying these amounts as mandatory rather than discretionary spending.

For example, the welfare reform law provides \$800 million in FY 1990 for state welfare employment and training programs, a level which rises in increments until it reaches \$1.3 billion in FY 1995. These amounts are mandatory spending. They cannot be reduced to shift funds to other programs. The funds are not affected if there is an across-the-board reduction in the Labor-HHS appropriations bill.

The same approach could be followed with WIC. The Congressional budget resolution could assume the same level of modest annual funding increases as in the past three Congressional budgets (\$100 to \$150 million a year over current services levels) but could reclassify WIC funds as mandatory spending. Since the WIC program is up for reauthorization this year, this would enable the Education and Labor Committee to revise the authorizing statute so that the WIC funding levels were made

mandatory. And this, in turn, would ensure steady, planned growth in WIC towards the goals espoused by the Committee for Economic Development, the National Commission to Prevent Infant Mortality, American Agenda, and the Council on Competitiveness.

The alternative is to continue the system currently in use, under which progress toward the goal of reaching all the eligibles under WIC is likely to be considerably slower.

Moreover, it is possible that under the current system, WIC expansion could be halted or reversed in the next few years as a result of intense pressure to reduce overall discretionary appropriations levels. I would note that the WIC program is included under the Administration's new budget in the category of programs that would be subject to an overall outlay freeze, and from which \$9.6 billion in FY 1997 outlay savings (below the OMB current services baseline) would have to be extracted. This indicates the uncertain terrain the program now occupies.

The Proposed Remedy Does Not Establish an Open-Ended Entitlement

I would like to emphasize that using this approach would *not* convert WIC into a standard entitlement program. Under a standard entitlement, all families or individuals meeting specified eligibility criteria are entitled to benefits. As a result, program costs are essentially open-ended. Under the approach recommended here, those women, infants, and children who meet the eligibility criteria would *not* be automatically entitled to benefits, and funding would not be open ended. Instead, states would receive a fixed amount of WIC funds each year (just as they do now) and would serve only as many eligible people as their funds will allow. The difference between the proposed funding mechanism and the current WIC funding structure is that under the proposed approach, states would be assured a fixed amount of funds each year. The fixed amount would be

each state's share, under the USDA allocation formulas, of the mandatory funding level established by Congress for a given fiscal year. As noted, this is the approach reflected in the welfare reform law and the commodity purchase provisions of the Hunger Prevention Act of 1988.

The Deficit Should Not Be Affected

This approach should not increase the deficit. It envisions the Budget Committees providing the same level of WIC funding increases as they have done in recent years, but classifying these funding amounts as mandatory rather than discretionary spending.

It is recommended that the mandatory funding levels provided include a \$100 to \$150 million increase over current services levels for FY 1990, and additional increments of \$150 million plus inflation in each of the subsequent years covered by the reauthorization. Thus, in each year, the increase would be in the same range as the increases assumed for WIC in the past several Congressional budget resolutions.

A Precedent: The Gramm-Rudman-Hollings Law

A precedent for treating WIC differently than most other discretionary programs is found in the Gramm-Rudman-Hollings law. Under the GRH law, a small group of benefit programs is exempt from the across-the-board spending reductions that are triggered when deficit targets are missed. All of these exempted programs are entitlement programs, except for WIC.

In framing the GRH law, Congress recognized that by virtue of its provision of benefits to poor children on a monthly basis, WIC was actually more like other means-tested entitlements than like other low income discretionary programs. This recognition now needs to be extended by making WIC a mandatory spending program.

At present, WIC is the only program in the federal government that is exempt from across-the-board cuts under the Gramm-Rudman-Hollings law but subject to cuts when across-the-board reductions are made by Congress in appropriations bills.

I hope the Subcommittee will seriously consider this proposal. It is now being examined by a number of individuals and organizations closely connected to the WIC program and is meeting with an enthusiastic response. It has been endorsed, for example, by the National Association of WIC Directors, which appeared before you last month.

OTHER WIC ISSUES

There are several other WIC issues I should also like to cover. I will be brief in my comments on each of these areas.

1. Improving the Coordination of WIC with Other Programs

At the Subcommittee's hearing on WIC last month, one of the members of the Subcommittee asked whether women, infants, and children receiving Medicaid, AFDC, or food stamps should be considered to meet the WIC program's income limits. As you may recall, the response in the hearing room was a burst of applause.

This is an excellent idea and I strongly urge the Subcommittee to pursue it. It can help reduce paperwork and red tape and improve WIC services.

WIC has two eligibility criteria -- an income test and a nutritional risk test. To be eligible, an applicant must satisfy both.

Yet those on Medicaid, AFDC, or food stamps have already been through an extensive, time-consuming, and often costly income examination and verification process. Since the income limits in these programs are more restrictive than those in WIC, those receiving benefits in these programs will generally meet the WIC income limits, anyway.

It does not make sound administrative sense to require pregnant women or mothers of young children to go through this income eligibility process all over again at WIC offices. Nor does it make sense for local WIC clinics to use scarce administrative dollars repeating this process. Writing a provision into the law stating that enrollment in Medicaid, food stamps, or AFDC satisfies the WIC income test would make an important administrative improvement in the program.

I would note that this would *not* make Medicaid, food stamp, and AFDC recipients automatically eligible for WIC. They would still have to pass the WIC nutritional risk test. In addition, their ability to be enrolled in WIC would depend on the availability of WIC funds.²

Other Measures to Improve Coordination

Other improvements can also be made to improve coordination. We are especially concerned that coordination be improved between WIC and Medicaid, both of which are important health programs. Census data show that only one of every three children below the age of four who is enrolled in Medicaid also receives WIC. Similarly, many of those who participate in WIC are not enrolled in Medicaid, although they may be eligible. Conflicting program rules can hinder efforts to improve coordination.

In its testimony last month, the National Association of WIC Directors (NAWD) recommended, as a step toward better coordination, that WIC adopt the Medicaid rule

2 I would also note that Medicaid legislation recently introduced by Reps. Mickey Leland, Henry Waxman, and Henry Hyde (H.R. 800) would direct Medicaid offices to inform pregnant women, infants, and children applying for Medicaid about the WIC program and to refer them to WIC where appropriate. In 1987, the Education and Labor Committee adopted legislation requiring WIC offices to coordinate with Medicaid -- but no similar provision exists in Medicaid legislation requiring Medicaid offices to coordinate with WIC. The Leland-Waxman-Hyde proposal would fill this gap. The proposal would place no new requirements on the WIC program.

of counting a pregnant woman as a family of two. As NAWD president Loren Bell explained, WIC directors have situations where a pregnant woman who is eligible for prenatal care through Medicaid may not be eligible for WIC. We endorse the NAWD recommendation and would urge the Subcommittee to act favorably on it.

2. WIC Administrative Funding

There is a broad consensus that the statutory provisions dealing with WIC administrative funding need to be reformed. The NAWD has testified to this effect. I expect USDA also to call for changes in this area.

The current statutory provisions are cumbersome and complex. In addition, the provisions enacted in 1987 to encourage states to institute infant formula cost containment provisions are (and were always intended to be) short term provisions only. If modifications are not made in the law this year, then state administrative grants will decline sharply in coming years, when measured on a per participant basis. This could jeopardize effective program operations.

In the near future, a USDA study on this issue will be presented to the Committee (by law, it is due March 1, 1989). It should provide important information on this matter.

While more work remains to be done to fashion the precise changes needed, I would like to note that the basic approach suggested by the National Association of WIC Directors appears to represent a sound course. The Association has recommended determining the average WIC administrative grant per person in a base year, adjusting this amount by inflation each year, and then multiplying it by the total number of participants that the fiscal year's funding level will support. The result would represent the total amount of WIC funds for the fiscal year that USDA would use for grants to states for administration and nutrition services (such as nutrition education).

Adopting a recommendation along these lines would not affect overall WIC program costs. It would simply alter the method for determining how much of a fiscal year's WIC funds go for food costs and how much go for administrative and nutrition services.

3. Breastfeeding

The Subcommittee heard strong testimony last month urging that a greater emphasis be placed on breastfeeding education in WIC and that a modest amount of WIC funds be earmarked for this purpose. A greater emphasis on breastfeeding in WIC is overdue. We urge favorable consideration of measures to increase breastfeeding among WIC participants.

4. Cost Containment Measures

One of the major developments in WIC over the past two years has been the spread of infant formula cost containment systems. Most states now have such systems in place or are planning to implement them in the near future. Nearly all states will have them by the end of the fiscal year.

The savings being achieved through cost containment contracts vary considerably, from a savings of 67 cents per can in a number of states to \$1.45 per can in California, \$1.35 per can in Indiana and Tennessee, and \$1.30 per can in Alabama. We believe that USDA should encourage states to achieve the largest savings they can, so that as many women, infants, and children as possible can be served within available funding levels.

That concludes our testimony. I would again like to thank the Chairman and the members of the Subcommittee for the opportunity to testify today and for their bipartisan leadership on these issues over the years.

THE RESEARCH FINDINGS ON WIC

A series of medical evaluations have found striking results that WIC improves the health of participating women, infants, and children. Most significant is an extensive, multi-year medical evaluation supported by the U.S. Department of Agriculture and issued in 1986. Directed by Dr. David Rush, one of the nation's leading researchers in the field, the evaluation found that:

- WIC contributed to a reduction of 26 to 33.33 percent in the late fetal death rate.
- WIC significantly increased the head size of infants whose mothers received WIC foods during pregnancy. Head size normally reflects brain growth.
- Women who participated in WIC had longer pregnancies leading to fewer premature births. There was a 23 percent decrease in prematurity among white women with less than a high school education and a 15 percent decrease among black women with less than a high school education. Premature births are one of the leading causes of death among infants.
- WIC participation resulted in a significant increase in the number of women seeking prenatal care early in pregnancy and a significant drop in the proportion of women with too few prenatal visits to a health facility. Early and adequate prenatal care is one of the major factors affecting the health of newborn infants.
- WIC participation also appears to lead to better cognitive performance. Four and five year olds, whose mothers participated in WIC during pregnancy had better vocabulary test scores. Children who participated in WIC after their first birthdays had better digit memory test scores.
- Women enrolled in WIC consumed more of such key nutrients as iron, protein, calcium, and vitamin C.
- WIC also improved the diets of infants by increasing the average intake of iron and vitamin C and significantly diminishing the frequency of low consumption of iron and vitamins A and C. WIC improved the diets of older preschool children by increasing average consumption of iron, vitamin C, thiamine, and niacin and by significantly decreasing the frequency of low intake of vitamins A and B and riboflavin.
- The greatest dietary benefits were among those people at highest risk: minority women, women with less education and children who are very poor, short, black, or in female-headed families.
- Children participating in WIC were better immunized and more likely to have a regular source of medical care.

Other studies have also demonstrated that WIC makes a significant contribution to the health of pregnant women and young children.

- The General Accounting Office (GAO) reviewed all medical research on WIC published up to 1985 and found that the incidence of low birthweight infants born to low income women who have been participating in WIC appears to be reduced by 16 to 20 percent.
- WIC has a major impact on reducing anemia among children. The *Journal of the American Medical Association* (September 25, 1987) reported findings from the Center for Disease Control's Pediatric Nutrition Surveillance data that showed a two-thirds reduction in childhood anemia over a ten-year period. The study indicated that WIC contributed markedly to the decline. The study found that low income children not enrolled in WIC have a significantly higher prevalence of anemia than those who are enrolled.
- According to a University of California School of Public Health study, women who participated in WIC for an extended time during the postpartum period had higher mean hemoglobin levels and a lower risk of maternal obesity at the onset of the next pregnancy. Their infants had higher mean birthweights and were at a lower risk of having a low birthweight than were the infants of women who did not participate in the WIC program for an extended time during the postpartum period.
- A Harvard School of Public Health study found that WIC reduced the incidence of low birthweight and that each \$1 spent on the prenatal component of WIC averted \$3 in hospitalization costs in the geographical areas under study.
- A Missouri Department of Health study found that WIC participation was associated with reductions in low birthweight rates and that for every \$1 spent on the prenatal component of WIC, about 49 cents in Medicaid costs were saved during the first 45 days after birth.

Mr. MARTINEZ. Thank you, Mr. Greenstein.

I would like to start off the questioning by asking a question of Mrs. Pannel. When you were testifying, it reminded me of something that happened when I was a young child. I attended Euclid Street School in East L.A., and it was during the Depression.

We had nine children in our family. Most of those nine children were in elementary school at the same time. There was a program that was initiated, in order for us, because we were a very poor family, to receive lunch, I do not know who did it at the time or under what auspices, but my mother and other parents in the neighborhood actually worked in the cafeteria so that we were able to receive a free lunch there.

Incidentally, some of the lunches I did not like; macaroni I couldn't stand. I have since come to like macaroni, but we had to eat everything that we had. I figured that was an asset to us in the longer term and invaluable for us at the time.

That was a system where my mother was tantamount to a volunteer. She was not a hired employee. She was not actually trained except by the personnel there for that job, and her natural instincts as a mother and a housewife and a good cook.

You mentioned the commodities where you are required to buy commodities or receive commodities along with the ability to get vouchers to buy locally. Many of those commodities are in bulk that are hard for you to use, I think you indicated, or hard for you to convert to use.

While you were testifying, I was thinking about the different organizations that I belong to, such as Rotary Club which, when we wanted to build a community youth hut, and I was director of the project at that time, I went out and found lumber companies to donate a certain amount of lumber at reduced prices, so that we could have those materials that we needed to build that youth hut.

For work that had to be done by a licensed contractor, we found people who were willing to donate their services at a very reduced rate or almost for nothing or for nothing. We made up for the lack of an ability to pay people by getting as much volunteer work as we could.

I imagine somewhere, in some of these programs, there is some volunteer work already. I wonder if there couldn't be some kind of a network in each community of places where the people who are providing the service could go and get those support services provided, such as grinding the raw meat into hamburger patties.

I am sure there are meat processing places close to most of these schools in the districts or somebody with a big meat grinder who would volunteer his time to do it. Is there any attempt to do any of that?

Ms. PANNELL. It seems today that most people are needing to work for money. So many of our parents—mothers that we used to be able to depend on to do what you are talking about—are now needing an eight-hour job five days a week, because their salary is very much depended on to help pay that mortgage payment or whatever.

There is a network of volunteers in our school district, for example; however, they are utilizing them in all the services of the

school. I will say that washing pots and pans is not one of the more popular of the volunteer jobs, so we do have to entice parents.

For example, in our county, we provide five dollars an hour for volunteer service and it goes to the school to buy them a computer. It is to entice that person, who would rather work in the library, to work in the cafeteria.

It saves us money because our starting salary is a great deal more than that and we do not have to pay that individual any fringe benefits, because the person is not getting the money; it is actually going to the school, so that's been one way.

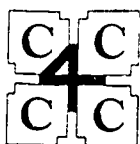
We also use student groups in our high schools, because it is a major problem to find enough labor in our school district, and I understand that is true in a number of school districts.

Mr. MARTINEZ. I had another thought while you were responding to my question. I wonder, years back, our former President Reagan said that the public should not be concerned with the cuts that the Federal Government made, because volunteers would make up the difference.

You said that volunteers do not necessarily make up the difference, so that we still need the assistance.

Let me ask a question of Linda Locke. At this time, I notice that you have given us testimony; I would note that your testimony will be entered into the record in its entirety, without any objection.

[The prepared statement of Linda Locke follows:]



Community Coordinated Child Care

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THE CHILD CARE FOOD PROGRAM

Testimony BY:

**Linda Locke
Community Coordinated Child Care (4-C)**

March 2, 1989

**Rayburn House
Office Building
Washington, DC**

Before

**The House Education and Labor Committee
The Honorable Augustus Hawkins, Chairman**

Mr. Chairman and Committee members, I am Linda Locke from Community Coordinated Child Care (4-C) of Louisville and Jefferson County, Kentucky. I also am speaking for the National Child Care Food Sponsors Forum, which represents over 400 Child Care Food Program sponsoring organizations across the United States serving nearly one (1) million children each day in this vital child nutrition program.

On behalf of the child care community, I express our deep appreciation to each of you and to all of the Committee members and staff as your work together to provide for the needs of our nation's children. I am pleased and honored to have this opportunity today to share with you how the Child Care Food Program (CCFP) affects the children we serve, particularly in family day care homes.

The organization for which I work, Community Coordinated Child Care (4-C) is a private, non-profit United Way agency which develops and coordinates services for young children and their families in our community. We also gather and disseminate information on Early Childhood and serve as an advocate for children and families. Besides our Nutrition Project, 4-C also developed and currently operates: child care subsidy programs for our local JTPA/PIC, the City of Louisville and Jefferson County government; local and state-wide child care raining programs; Special Education Early Intervention Services; the Car Safety Seat Rental Program; Child Care Resource and Referral Services in our community; and the 4-C Advocacy Program.

Our Nutrition Project is an Umbrella Sponsor in the Child

Care Food Program (CCFP), and currently serves 55 centers and 60 family day care homes. The homes are located throughout the western, central, and northern parts of Kentucky. 4-C provides CCFP monitoring and training to programs serving over 7500 children every month.

There are several points that I would like to make about the Child Care Food Program and its relationship to family day care.

1. The Child Care Food Program is the only federal program which establishes nutrition standards for meals served to pre-school children in family day care.

Major studies substantiate the fact that children, regardless of where they live or the family income, enrolled in day care programs participating in the CCFP significantly benefit nutritionally. The 1983 Abt Study indicated quite clearly that the CCFP was providing nutritious meals to children in day care and was improving the quality of their diets (p. 3; 1983 Abt; Evaluation of the Child Care Food Program).

According to this study, a comparison between participating and non-participating programs revealed that participating programs: (1) served more meals and snacks; (2) provided snacks which were significantly better balanced (3) served significantly more of the naturally high quality nutrient-source foods; (4) served milk more often at meals and snacks; and (5) served concentrated sweets 33% less often than nonparticipating programs (pgs. 11-12).

Our program recently enrolled a family day care provider in the CCFP who was caring for seven children. Before enrolling,

all the families she served were expected to send lunches and snacks everyday when they dropped off their child. According to the provider, she was charging low fees because that was all her parents could afford to pay, and she would have lost money if she furnished the meals. Now, she is enrolled in the CCFP and is serving breakfast, lunch, and one snack which meet USDA nutrition standards to the children in her home. She has learned to read labels, determine how much uncooked meat will equal a cooked serving, and to identify and serve foods from each food group. All of the families and children she served have significantly benefited from the CCFP.

2. Family day care homes, including those participating in the CCFP, are a major component of our nation's day care delivery system.

The August 1988 Abt Study of the Child Care Food Program describes family day care and documents how it differs from center-based care:

"Family day care is an arrangement in which an individual cares for a small number of children in her home. Family day care providers offer flexible hours of care and are often available on weekends and evenings. Family day care homes (FDCHs) provide a great deal of part-time care. Some homes provide overnight care for children of parents working night nursing or factory shifts. Most providers adjust their fees for parents with low-incomes or large families. Only 10% of family day care providers receive child care payments from sources other than parent fees."

"Family day care provides child care to meet the work

schedules of the families they serve. The FDCHs in the CCFP are open an average of 11.5 hours each day. Almost 20% are open more than 12 hours, and 4% are open 24 hours. While 82% operate 5 days a week, 17% are open 6 days, and 10% are open 7 days. This contrasts sharply with the schedule in child care centers, which rarely provide care on nights or weekends" (pgs. 88-90).

Family day care homes are a major provider of child care in the United States, caring for more than 50% of children that are in out-of-home care. Family day care homes also care for a large number of our nation's infants and toddlers, as well as school age children.

According to the 1988 Abt Study "...unlike most centers, a substantial number of providers (participating in the CCFP) accept infants and toddlers. Three-quarters of FDCHs serve toddlers...More than one-third (39 percent) serve infants and over half (57 percent) serve school-age children" (p. 92).

"Family day care provides 'work-related' day care so that families using FDCHs can become or remain employed. Ninety-percent of mothers of children in participating FDCHs are employed, while 69 percent of mothers of children in Head Start and 27 percent of the mothers of children in non-Head Start centers are unemployed" (p. 67).

3. The Child Care Food Program is the only federal program which provides direct support and protection to children and families served by family day care providers.

A major national issue that has recently emerged is the

protection of children when they are in child care programs while parents are working. The 1988 Abt Study points out that the majority of family day care is still "underground" and not meeting any standards of care. However, all children enrolled in CCFP homes benefit from the increased protection of the sponsor's in-home monitoring and the standards homes must meet to participate.

While the CCFP mandates at least 3 monitoring visits per year, the 1988 Abt Study points out "on average, sponsors visit homes approximately eight times per year, with an average visit lasting 48 minutes. Typically, these visits combine the monitoring function with training and technical assistance to provider" (pg. 49). Only 12 states have standards which require more than once a year visits to family day care homes. The quality of care children receive is directly related to the training received that providers receive training on a regular, on-going basis. In 1986, 30 states had no training requirements for family day care providers. The 1988 Abt Study documents this about CCFP training:

"Although nearly 90 percent of sponsors offer inservice training at separate training sessions, sponsors typically combine the monitoring function with training and technical assistance to their providers. Seventy-nine percent of FDCH sponsors provide inservice during regular home visits. Many sponsors indicated that while separate training sessions are offered, providers are often unable to attend these sessions and as a result, most of the training and technical assistance received by many providers is obtained

during home visits" (pg. 162).

The Child Care Food Program is the one program that reaches out and assists family day care providers in meeting regulations, and in providing continuous training, intervention, and monitoring throughout the time that the providers are enrolled. The CCFP, particularly in FDCHs, is a critical element in our efforts to protect and assure the continued health and safety of our nation's children.

4. Family day care providers who participate in the Child Care Food Program are themselves from lower-income households.

The Abt Study gives an income profile of the typical family provider who participates in the CCFP.

"Nearly half (47.9%) of participating providers have (gross) household incomes of less than \$20,000." (This is before their expenses of operating a family day care home are deducted.)

"More than one-quarter live in households with gross incomes between \$9,000 and \$20,000. Child care is the sole source of household income for approximately 40 percent of providers whose gross household income does not exceed \$15,000" (pgs. 97,99).

"Ninety percent of family day care providers are paid directly by parents for their services. Most providers adjust their fees for parents with low incomes or large families. Only one percent of providers charge parents more than \$2.00 per hour" (pgs. 89,92).

Exhibit 3.5 shows that 47.9% of providers receive hourly fees of \$1.00 or less for a full-time preschool child, and 42.3% receive from \$1.01 to \$1.50 per hour. A family day care

provider provides care for an average of 5.7 full-time children and operates 61.94 hours each week (pgs. 92,281).

One of the family day care providers under our sponsorship illustrates this point.

Emma T. is a widow whose only income is from sewing, parent fees, and the Child Care Food Program. Her gross income for 1988 was \$13,472 - \$8,435 in parents fees, \$3,365 from the Child Care Food Program, and \$1,672 from sewing.

She provides care for six children, three of whom are from single parent families. One mother in particular has a hard time paying for her child care, and last year, Emma only collected \$1,000 from this parent. She continues to serve this parent, because, as she says, "I don't know what would happen to her or her child if I didn't help her."

Emma's operating expenses for her day care in 1988 are listed below. She says she is lucky she had no major purchases or repairs this year.

Food	\$3636.67
Insurance	500.00
Substitute Help	70.00
Day Care Supplies	210.00
License	25.00
Training/Equipment	45.00
Utilities (water gas, electric, phone)	775.90
Total	\$5,262.27
Income (CCFP, Sewing, Parent Fees)	\$13,472.00
Less Business Expenses	< 5,262.27>
Net Income - 1988	8,209.73

Emma is considering whether to continue her day care operation. She states "I keep asking myself why I don't just give this up, because I would earn more an an aide in a nursing home, and wouldn't have to work as long each day as I do now, and I'd probably get a few benefits. But I really love my kids, and their parents need me. I help them out when they have to work late, and they really appreciate what I do for them. I don't think some of them could make it if I wasn't here for their kids."

5. The Child Care Food Program has been the single most important reason that family day care homes have become regulated.

According to the 1988 Abt Study "To participate in the CCFP, family day care homes meet state licensing requirements where these are imposed, or be approved by a state or local agency. In addition, they must be sponsored by an organization that will assume responsibility for ensuring compliance with Federal and State regulations and that will act as a conduit for meal service reimbursements to family day care providers... This administrative structure reflects an understanding of the great differences between centers and homes in terms of organization and structure, and in particular, of the personal and informal nature of family day care" (p. 1).

Regulated homes operate as legitimate small businesses, meeting local and state standards, and paying taxes at the local, state and federal levels.

It is our estimate the CCFP has been a facilitator in creating several hundred thousand newly regulated family day care slots for our nation's children. Again, by our estimates these new slots have been by approximately 73,000 family day care providers, providers that were either not operating or not regulated prior to their participation in the CCFP. Each of these providers is now operating a legitimate business and paying her share of taxes while providing critically needed child care services. The children in these FDCHs are in the care of providers who are now receiving training, monitoring and in-home visitation, and who are meeting the nutrition standards set forth in the program.

The Child Care Food Program has also been responsible for the networks of multi-service sponsoring organizations that have grown as a result of this program. Families now have access to family day care resource and referral systems, and providers have access to a multitude of services. The 1988 Abt Study documents some of the services provided by sponsoring organizations to FDCHs and the children and families they serve. The major ones are: referrals for social or health services (58.8%), training (93.9%), placement or referral of children to home (46.3%), and parent activities or educational programs (40.5%) (pg. 399).

The 1988 Abt Study documents that the CCFP does not cover the cost of administering the program. "Sponsors' average administrative cost per home is \$75.00...Current administrative cost allow cost reimbursement from \$29-\$55 per home, depending on the number of homes sponsored" (pg iv).

6. The Child Care Food Program, should be reaching more low-income children.

In the 1970's the CCFP for family day care was established with a means test in an effort to target it to low-income children. However, participation was low and criticism was directed at the program because it was not reaching children in family day care. In 1980, a flat rate of reimbursement was established, with the intent to expand participation among FDCHs (1988 Abt Study, pg. 17).

In 1981, the CCFP was serving 79,920 low-income children, and in 1986, 115,130. While this was a significant increase in the actual numbers of low-income children served, it was not when viewed as the percent of total children served.

One question to be asked is "where are low-income children in out-of-town care?"

The 1975 National Child Care Consumer Survey (conducted by UNCO for ACYF) found that, of low-income children in out-of-home care, 3 of 4 were found in family day care, largely unregulated.

ABT data (page 90, 1988 Study of the Child Care Food Program), show that between 81%-84% of family day care homes are unregulated. If we assume that each home would average 6.6 children (the average number of children per home in the ABT 1988 study, p. 93), then there exists nearly 3.1 million children in unregulated family day care homes.

The next question is "How do we reach these children?"

It has been proven by past experience that "means testing" will not increase the number of low-income children served by this program in family day care. Previous participation data substantiate this.

Instead, the program needs additional adjustments so that a greater number of low-income children will receive CCFP benefits.

What can Congress do to increase the number of low-income children served by the Child Care Food Program?

1. Maintain the CCFP for family day care as it currently exists with these changes:

A. Funding for outreach should be provided, for sponsors. Sponsors helping low-income providers to become regulated face many time-consuming barriers that must be overcome: language, illiteracy, geography, and fear. These are not reimbursable program costs, and

sponsors must solicit other funds to assist those providers.

B. USDA should launch extensive public outreach efforts, particularly in low-income areas. The availability of the CCFP and its benefits to children should be part of that effort.

C. USDA should insist that states establish, where necessary, simplistic alternate approval systems when data show that few homes or children in small groups are participating. Kentucky only has 12 homes licensed for 6 or less children in the entire state. Alternate approval for children in groups of 3 or less (these group sizes are exempt from licensing) should be established in Kentucky.

D. Higher administrative rates should be established, particularly for the first month of service, and to new providers in low-income areas.

E. The paper work requirements should be reduced, both for sponsors and providers.

In day care centers, the number of low-income children served has been relatively stable since 1981. The number of low-income children served could be increased by implementing the following changes.

A. For-profit centers may participate only if 25% of their enrolled children are Title XX funded. This eligibility rule needs to be changed to allow them to participate if 25% of their enrolled children are eligible for free or reduced lunches. This

change is particularly important with advent of the child care guarantee in welfare reform implementation.

B. Reduce the paper work requirements. These requirements are so extensive that, in Kentucky, even a few non-profit centers have decided not to participate.

Other changes that need to be made:

1. There is no Error Tolerance Level for the CCFP. Both the School Program and Food Stamp Program have error tolerance levels. This program requires significant amounts of documentation on a daily and monthly basis, and any small error can result in payback situation. For example, our organization was recently reviewed and a \$8,000 payback was required. This was however, only 3% of the total CCFP funds received during the 3-month review, and only .9% of the total yearly funds received.

2. In legislation passed this year, child care centers may receive reimbursements for up to 4 meals per day (snacks are considered a meal service). This needs to be extended to family day care homes.

In summary, we are concerned about the future availability of these programs for children. As one who administers these programs at the local levels, we know how programs really do affect the lives of our children and their families. On behalf of the thousands of children served in the Child Care Food

Program, we commend this Committee for their constant support of valued child nutrition programs. Thank you for allowing me this time today.

Mr. MARTINEZ. I would ask you a question on reporting and paperwork. A lot of this paperwork that is required seems to be an exorbitant amount and unnecessarily duplicative.

I am wondering, isn't there a simple system of finding a way to report the needed information so that it does not create this tremendous amount of paperwork and labor and everything else that takes away from the program?

Ms. LOCKE. I appreciate the opportunity to accompany Mr. Cooney today, and I will be happy to answer your question.

As a representative of the National Child Care Food Program Sponsor's Forum, we, too, have been very concerned about the paperwork, both in the family daycare homes and the centers that participate in the Child Care Food Program.

One of the concerns that we have is the lack of uniformity in the paperwork requirements on a state-to-state and region-to-region basis. Many of the providers that we are dealing with are low income and, in many cases, low educational attainment. It is very hard for us to get them to a level, in many cases, to understand and maintain many of the records that the program requires.

We would be happy, as a group, to assist USDA in developing some uniform standards and examining the requirements of the program to see what can be done to still validate that requirements are being met, but reduce the amount of paperwork that is currently required.

To give you one example, in child care centers in Kentucky, one of the pieces of information that is required is that if the center purchases from a grocery store, a very small center cannot participate in quantity bids, they must also submit advertisements from three different grocery stores to validate that they are, in fact, purchasing at the lowest cost. That is a very costly type of paperwork requirement that we have.

Again, it is our state's efforts to interpret regulations and to find a way to validate that requirements are being met. I am not saying that that is the same requirement in all 49 states, but each state does have different requirements. We would like to see efforts made to reduce the requirements, but still have the validation that requirements are being met.

Mr. MARTINEZ. Thank you.

I notice that my red light is on, so I will not abuse the privilege of presiding as chairman. I will forego the further questions I have. There is one question I would like to ask of Mr. Cooney; if time permits, later on, I will ask that.

Right now, at this time, I will go to Mr. Goodling.

Mr. GOODLING. Thank you, Mr. Chairman.

At that meeting that Mr. Cooney referred to in the Budget Committee, we did pursue the Section 4 issue. We pursued a couple of other issues, too.

Ms. Locke would be interested to know that I asked Mr. Cooney whether he would pull together leaders in the field and see whether we can do something about the reporting and the burdensome paperwork, first having the Department say exactly what it is they want and they need and then not duplicating these things with state and local efforts. He assured us that he would do that at that particular time, so that is a good sign.

I would say to Dorothy Pannell that I also said to Mr. Cooney that we want some assurances in relationship to CLOC. As I said to Jack, we also probably need a state experiment, perhaps in Pennsylvania, I would say to the committee, where we would be a CLOC state.

Since we have a CASH state and will have forever, I suppose, we should probably have a CLOC state to see how everything goes. Well, the interesting response was that he is very much interested in those kinds of ideas, because he tried to push those ideas ten years ago when he was assistant secretary and he couldn't get anyone to buy.

I was just over talking with the Agriculture Committee, because I am not so sure that that isn't where the buy problem comes about. But, when you look at CLOC, it seems to me it is the best of all worlds.

I have tried to impress that on the Agriculture Committee, because they still determine what it is you buy wherever they think there are surpluses, but second, you do cut out all of those magnificent jobs called distribution superintendents, et cetera, et cetera.

Can you imagine how much money we must spend in trying to distribute, when you take all of these things locally, right off the market, at the direction of the Department of Agriculture, so that you are not messing up the commodity program?

He did give us that. I was surprised. I didn't know what his feeling would be on that. I know in the Department, that is not the feeling. I'm sure they must have died a thousand deaths when they heard him make that statement, so there is some hope, I think.

Mr. Cooney, I have to remind you that cuts are made only in the House and the Senate and so, the emphasis that all of you lobbying out there—when I say lobbying, I mean everyone—for public education has to be with the House and the Senate and particularly, not necessarily with the authorizing committee.

We always authorize ten times more than that is going to be appropriated. If there are cuts it is the Budget Committee on which I serve and above all, the Appropriations Committee, where they would come. It is also that group of the leadership that will be negotiating, if they are going to negotiate, in relationship to the budget for this particular year.

With respect to the Summer Food program, Mr. Cooney, I made that argument, if you will remember, in a conference with the Senate quite a few years ago, that I could not understand how we thought it was important for nine months, but then we say for three months, forget it.

We also made the argument at that time and we were forced to make it because of the testimony we were getting from you and from some of our colleagues, about how the private sector was handling that Summer Food Program. In some areas—New York was one in particular—it was just devastating.

Do you believe we may have taken a step back? I noticed you seemed to be pleased with allowing, again, a group back in on a pilot program—private, "nonprofit"—are we perhaps taking a step backward?

I think in a pilot program, they will be very, very careful to make sure their act is just perfect, but when does that happen? Do

we get back into that same waste of money on youngsters not getting enough proper food?

Mr. COONEY. I think there is always a risk in any Federally sponsored food program and I do think we have to be careful.

But the proposal that we would recommend is not an open-ended one for private nonprofits. We think there is a need for protection in terms of small sites and small programs. We think that community action agencies and nonprofits, like churches and Boy Scouts and Girl Scouts, should be allowed access in a very limited way.

The abuses that you are referring to—and there certainly were abuses—were in 1977, and they had to do a lot with large sponsors not controlling their sites and some people deliberately committing fraud.

We think that there ought to be protections built in. This is the year to reauthorize the Summer Food Program, and we think there is a fair amount of support to get the private sector back into this program. We can learn from them. We think that such groups, like CAPS, should be allowed back in, but in a limited fashion.

In response to your earlier question on Section 4, I would agree with you that we have a lot of work to do with you in the House and in the Senate, but I would point out that we are anticipating amendments of H.R. 24 in this committee and on the floor, eliminating part or all of Section 4.

We do not perceive that the votes are there, but we believe that the amendments will be offered and we disagree with them; and, that is why we wanted to take this opportunity to put it on the record.

Mr. GOODLING. Well, I think we bloodied some of those people pretty badly the last time. I was hoping that they wouldn't have nerve enough to offer them again, but that may happen.

Mr. COONEY. We appreciate your leadership on that.

Mr. GOODLING. Is my five minutes gone already?

Mr. MARTINEZ. Actually, it was ten, wasn't it? No, it was only five.

Mr. GOODLING. Okay. I have one or two other questions. I will get them on the next round.

Mr. MARTINEZ. Thank you, Mr. Goodling.

Let me introduce Mrs. Lowey from New York, who is one of the newer members of the committee. Mrs. Lowey?

Mrs. LOWEY. Thank you, very much, Mr. Chairman, and I want to thank the panel for your outstanding testimony. I just recently came from a meeting on the hospital crisis and the health care crisis in not only New York, but throughout the country.

I do hope that together, we can convince not only the Congress, but the public at large, who really establish policy because they are the ones that lobby us as to how we should react to these programs; that by investing in these programs, we will save money later on.

I do want to thank you. Again, you are talking to the committed, and it is together that we have to convince everyone else.

Ms. Gardner, I have a question for you. You eloquently stated the enormously important role of the NET Program. You also mention in your testimony that NET is a follow-on to the WIC Program.

I wonder if you could explain the connection. Perhaps we then can convince everyone else of the importance of keeping the NET Program in our plan. Thank you.

Ms. GARDNER. We feel like the NET Program is sort of a link in a chain, that WIC exists for many reasons but one of the many reasons is to educate mothers who then, hopefully, will provide their children with nutritious foods to eat; that the next link in the chain deals with elementary and secondary school children.

Really, I was out there teaching so that I know nutrition education wasn't happening at the elementary level. It was happening a little bit in the secondary level in that health education teachers were teaching it and home economics teachers were teaching it, but at the elementary level, teachers weren't teaching it because they weren't prepared; they didn't have materials; and they just didn't know what to do.

The elementary classroom teacher has a tremendous job today. We have dumped all kinds of things on them. On top of reading, writing and arithmetic, we have said, "You have to teach about child sexual abuse. You have to teach about drugs and alcohol. You have to teach about nutrition education" and on and on and on.

We feel that the NET Coordinators have been able to work with elementary classroom teachers, as well as secondary, give them interesting materials to use, give them AV materials to use, train them how to teach and teach them how to integrate it into what it is that they are already teaching.

There is no reason why you can't teach nutrition while you are teaching reading. There is no reason why you can't teach nutrition while you are teaching math. We feel that nutrition is that middle link between what happens at the WIC level and then, as I said in my testimony, Meals-on-Wheels at the other end. Hopefully, there are some other things out there happening, and I know that there are.

Mrs. LOWEY. Thank you. Another point in your testimony that particularly interested me—and it may be another way to sell the program—is that the NET funds have been able to trigger and leverage other funds on the state level.

Could you explain this further? Is this happening throughout the country?

Ms. GARDNER. I can tell you exactly what is happening in New York, and I know it is happening in other states. I am not sure that I can be so specific today, but I certainly can get more information for you on it.

In New York, nutrition education is a part of a much bigger whole. It is under the umbrella of health education. We, in my office, have monies from the Federal Government for drug education. We have monies from the Federal Government for AIDS education. We have monies from the state government for family life education. We have our Federal monies for nutrition education.

We try to coordinate all of these monies together so that we are teaching teachers and students and, in the case of NET, food service people, how to do nutrition education within the context of that much bigger whole.

I specifically mentioned in my testimony how we used NET dollars to broker state dollars for training school food service people.

We have a statewide network of—I want to say volunteer, because we only pay them a tiny bit of money—food service people that we train who then go train others. It is a train the trainer concept. We use our monies to broker other monies.

Mrs. LOWEY. Thank you, very much.

I have some other questions, but perhaps we should save it for the next round. Thank you.

Mr. MARTINEZ. Thank you, Mrs. Lowey.

Mr. Smith is one of the newer members. He took the last ranking member, Jim Jefford's, place from Vermont. We are glad to have you here, Mr. Smith.

Mr. SMITH. Thank you, Mr. Chairman.

I have a question, I believe, for Mr. Greenstein, having to do really with the first set of testimony that we heard a couple of weeks ago, which was all based and oriented towards WIC.

As I remember it, a shared, beyond perception, reality that was being given to this committee about a real sense that they were being kept at the state and local level from being able to do the job to make the best use of the resources that we are giving them by the Federal regulatory—the attitude of the Federal agencies.

I heard stories of innovations in one state that could not be adopted in another state because of the way business was done. My concern is that we have a dedicated group of professionals and community people trying to do a job that is a national priority and that, somehow, beyond the money—and I think you will find that this committee—and I am in very good company when it comes to this program and this fills me with some joy, as a newcomer here, to find that out.

But, as we get more money into the program, my question is: Do you see changes that could be made that would eliminate obstacles that state directors currently face and local directors face that hinder their ability to do the job that they see in front of them every day?

Do you see those kinds of obstacles? If so, what are they? What could we do to clear them away so that the people who are out there on the firing line have the greatest flexibility—and accountability, also, but flexibility—to serve the people that we are trying to serve with this program?

Mr. GREENSTEIN. I think one of the most important things you can do was actually something that—I don't recall whether it was you or one of the other members from your side of the aisle—a point that was raised in the hearing several weeks ago.

One of the members asked the panelists: Would it be useful to remove some of these administrative barriers to enable someone—a woman, a child on Medicaid or on AFDC or food stamps—to be deemed to meet the WIC income test? I remember that the audience burst into applause. I think that would be an excellent idea.

In the WIC Program, there are two eligibility criteria: You have to meet the income criteria and you also have to be found by a medical professional to be at nutritional risk.

As it turns out in nearly everyplace, in most places, the income criteria are more restrictive for Medicaid, AFDC and food stamps than for WIC, and second, I would say in those programs, there is a pretty intensive and fairly costly verification documentation proce-

ture of income that goes well beyond that in any of the child nutrition programs.

So, what we now have is we have this extensive procedure where they meet the income. Then they come into WIC which, because it is not under the welfare department like the other programs, but it is under the health department, it is a different part of the bureaucracy, they have to do a new income test all over again, even though it has already been done and been done more thoroughly than the health department has the ability to do it.

To say that participation, having been determined to be eligible to meet the income tests in those other programs, would satisfy that in WIC, and that you would still have to meet the nutritional risk test anyway, I think that could be quite significant.

I think a second issue is that you heard some very good suggestions at that earlier hearing to modify the way in which the administrative funding component of the WIC Program is determined.

One of the problems for states right now is that current procedures are sufficiently complex that nobody can figure out how much they are supposed to get. You have these very complicated procedures to determine that.

I am hopeful—it is early, but I am hopeful—that in that very complicated area and thorny area, that we may actually end up seeing the Federal administrators and the state administrators make very similar recommendations to this committee to streamline it, which would be helpful.

Finally, it certainly would be useful to have a procedure to look at the impacts, the cost impacts, on states of new regulatory requirements, not that they should not be imposed.

There will be needs, for example, to require states to do more in monitoring vendors. I think everyone agrees that further requirements are needed there, but there ought to be an overall procedure to make sure that the total burden being placed in terms of administrative costs isn't too great.

Mr. SMITH. Thank you. I appreciate that. Could you tell me, are you based here in the Washington area?

Mr. GREENSTEIN. Yes.

Mr. SMITH. It would be very helpful to me if we could continue this at another time not on the clock.

Mr. GREENSTEIN. I would be pleased to.

Mr. SMITH. Thank you.

Thank you, Mr. Chairman.

Mr. MARTINEZ. Thank you, Mr. Smith.

With this, we turn to another new member, from Illinois, Mr. Poshard.

Mr. POSHARD. Thank you, Mr. Chairman, and ladies and gentlemen of the committee.

I appreciate the testimony of the panel today. I had the good fortune some years ago of being one of the directors of a nutrition education training program, so I have some first hand experience out in the field in this area.

We had a little more money than you folks have to operate with and we were able to, effectively network a lot of our efforts with the Section 4 programs and WIC Programs and the others.

One of the things I think about now is that with the lack of money, ten cents per pupil basically, as opposed to the fifty cents we started out with, it might be a good thing for the folks in the programs to focus in on one area.

I think one of the justifications for the cutbacks in this program, even seven or eight years ago we received it, was that health education is taught in school and, within that framework and in that curriculum, we teach nutrition education. Well, that's not true.

Very few health educators even teach nutrition education, but even if they do, the area that is most needed now in my judgment are parental training programs for nutrition education because we have so many young people having children who have no idea how to feed their babies, especially in the low-income areas. That worries me a little bit.

I remember that one of you asked us a rhetorical question about establishing priorities with the money that we have. I guess that's what we are about in this business in terms of our job is establishing priorities.

Hubert Humphrey once put forth the idea that we establish a Marshall Plan for America, to take care of some of the needs of people in this society. At that time, I think he was talking about \$50 billion or so, and folks were snickering and laughing and saying, "Oh, my goodness, how could we ever afford such a thing?"

I thought how ironic that this past week, we were given a \$150 billion figure to bail out the S&Ls. That's priority setting.

We have all kinds of Food for Peace programs that we support in this Congress for other nations of the world. We have been very good and generous in helping these folks. It seems to me that the WIC programs, the Section 4 the NET Programs and so on are really food for thought programs and we ought to be promoting that in this society.

It is not true that kids don't learn if they don't have good nutrition. They do learn. They learn the wrong things. They learn, affectively, that we don't really care about their needs, their adequate needs.

Cognitively is where they suffer, because without that nutrition, they do not learn math and they do not learn science, languages, and the kinds of things that they need to be learning. We probably ought to listen to you a little closer when you talk about setting the right kinds of priorities.

Thank you.

Mr. MARTINEZ. Thank you, Mr. Poshard.

I have just a followup on the question that Mr. Goodling asked and that is in regard to—oh, I lost my train of thought. What was the first question you asked?

Mr. GOODLING. I'm not sure.

Mr. MARTINEZ. I'll think of it in a minute. I will come back to it later.

What I would like to ask you is, then, in your written testimony, you talk about the decrease in participation in the program directly related to the increase of the cost. That has been a part of the big debate on the overall cost and what that charge should be.

I am concerned that it will get too high because I know, certainly, the theory that you present is very true in my district. An in-

crease in price to that kind of constituency would definitely cause an even greater reduction than that ten percent.

I would like you to elaborate a little bit on the study that was done and ask you: Has that study been made available for reference in the hearings that we are holding?

Mr. COONEY. Yes, the specific reference comes from the National Evaluation of School Nutrition Meals, which was a four-year, four million dollar study done by the Department of Agriculture. The Food Research and Action Center had a staff person serve on that advisory council.

We are also concerned about the potential effect on school breakfasts in these cuts. We are unaware of any school in the nation that has a school breakfast program but does not have a school lunch program.

Once you start chopping off on Section 4, I mean, you've got a school breakfast program that is ninety percent low-income kids, and they took a big hit in 1981, as well, but that particular statistic does come from the national evaluation, which is a good study.

It has a lot of different things in it. It shows that low-income kids really benefit from the School Lunch Program because they get certain nutrients in that lunch, which is superior to any other lunch served in any other setting.

The School Lunch Program is the best lunch those kids get, but the reason is that it has nutrients in there that are known to be missing in the low-income community people, particularly teenage boys. Certain key nutrients are missing in their diet that they get in the School Lunch program. It is a pretty important program.

Mr. MARTINEZ. It is not surprising that so many of these things were known to a certain segment of our population a long time ago. Let me illustrate. When I was very young, and I think the year was 1939, I saw a movie that was called "Tortilla Flats."

In that movie, the doctor referred to the lack of nutrition in the food that that community was eating and observed that the direct result of that lack of nutrition was a reduction of their ability to achieve in school. It took Congress many years to become aware of that.

There are still people in Congress or in the Federal Government who would see some of these programs completely eliminated or cut back to a point where they are not even effective anymore because they do not reach out to enough people, so that is why I wanted you to elaborate on that.

The other question I had for you has come to me on the question that Mr. Goodling asked on nonprofit organizations. You know, it seems to me that in the beginning, if you set standards and have these people qualify under those standards to be certified, that the certification of nonprofit organizations providing that service would adequately do the job without the abuse that existed.

I'd like you to respond to that.

Mr. COONEY. I think that is a very important concern. Mr. Goodling is one of the longest term supporters we have in the Summer Food Program. He came forth in 1981 when the entire program was under threat. He does raise some very valid concerns about private nonprofits.

I do think that a certification process can be developed and the controls can be done. What I am concerned about is we lost 500,000 poor kids in 1981 as a result of these private nonprofit sponsors going out.

You just cannot have a system that is limited just to schools and just to public entities. Many schools in this country are not open in the summer. They are not there. If the city government decides that they have other priorities and are not going to open up their parks and recreation programs to allow for food as well, those children have nowhere else to turn.

This does not mean that we want an open-ended program that is subject to abuse. We do not, and we are going to work with Mr. Goodling and other members in the Congress, in the House and Senate, to make sure that that does not happen. I think your suggestion on the certification process is a very intriguing one and I think it would work.

Mr. MARTINEZ. Thank you, Mr. Cooney.

Mr. Goodling?

Mr. GOODLING. In 1981, my hope was that, as a matter of fact, we could use a carrot and a stick approach to get the schools to continue the feeding program through the entire year. Mary Jane Fiske can remember when we were down in Philadelphia in a summer feeding program and this poor lady, bless her heart, was trying to do her best from off of her front porch.

First, she was trying to make sure that they all got their lunch and, second, she was trying to make sure that they didn't get in line several times. I don't know, after a hundred or so went by her, how she knew which ones came or which didn't.

Then, it started raining, to complicate matters, and I said, "Geez, isn't there a school close by?" She said, "Oh, yes, just a half-block down the street." Of course, there I could see was the school, but she said, "We're not allowed to use it." That's kind of tragic. That was the city's decision that they couldn't use it, but our hope was to try to carrot them and if not carrot them, carrot-and-stick them into doing that.

I can remember Congresswoman Holtzman, when she testified before us with all those horror stories. We knew we had to do something and tried to go in that direction.

Ms. Gardner, I am sure it wasn't coincidental. I noticed you highlighted California, Michigan and Pennsylvania in your statement. That is better than one of your panel members did when he was young and green when he appeared before the committee. He had the nerve to tell the Congressman from Michigan that he was wrong. I told him that I knew he was new, but he'd better not do that anymore and it wouldn't get us very far, I'm sure.

Mr. GREENSTEIN. I haven't done that today.

Mr. GOODLING. In spite of emphasizing the education part for the teens that are going to be mothers and fathers, with the amount we have, would we not perhaps get more bang for the buck if we really concentrated that on the early childhood, elementary and middle school, realizing we don't have enough to go everywhere, on those particular areas?

Ms. GARDNER. My answer personally to you is I absolutely think so. I deal not only with nutrition education, but drug and alcohol education and AIDS education and so forth.

I say probably many times a day to my staff, "If we don't make a difference at the elementary level, there is no way we are going to make a difference later on." You know that teenagers have made up their mind that they know all the answers.

Mr. GOODLING. And they are invincible.

Ms. GARDNER. Yes, so I absolutely agree with you.

Mr. GOODLING. Mr. Greenstein, this may not be the best year for what you are attempting to promote. If it isn't, would forward funding be a help in that it wouldn't guarantee you how much money, but at least it would guarantee it in a timely fashion? That, too, could be difficult this particular year because, as Jack points out, we are talking about a double dose in one year.

Mr. GREENSTEIN. A couple of thoughts. One is that in terms of the approach that I recommended, it entails, obviously, authorizing legislation to make that change, so in a year other than this year, it would entail the committee reopening the authorization in a year that isn't in a normal authorization cycle.

That is the reason that this is the particular year we are talking about that. I recognize it is difficult, given the larger budget picture; on the other hand, what we are suggesting is no more of an increase in the budget resolution than has been in each of the last three years.

This is very different than some of what you might have heard a number of months ago, that we ought to have an open-ended entitlement in WIC.

In terms of the forward funding, I think Jack's point is an excellent one. I am not sure that it might not even be more difficult for the reason that the budget authority would have to be a two-year budget authority. If the caps you are operating under are BA caps as well as outlay caps, that could be very difficult, as well.

The forward funding would allow more knowledge in advance of the funding level; on the other hand, it would not provide any assurance as to whether it was going up or down or being frozen. I am not sure it would help that much more in terms of planning a consistent long-range process.

I guess the concept behind what we are talking about here is that if—and this would entail, obviously, more than this committee. I think if it were left only to this committee, it would be far easier.

If the Congress as a whole makes a determination as some of the corporate groups and the American Agenda and Senator Chiles are recommending that WIC—along with Head Start and a few other programs—should be singled out as one of our top national priorities and that we should have a national game plan to expand them in steady planned increments over a number of years, then this makes sense and makes sense to do now.

It entails really saying that this is one of our top priorities, in that fashion. The other thing I guess that strikes us is if the Budget Committees—and maybe they won't, but I hope they will.

If the Budget Committees are going to pursue the similar path as in previous years of having a certain amount over current services

for WIC anyway, then it does not increase the budget authority or outlay numbers to rescure that as a mandatory rather than a discretionary.

I think part of the concern is—from perhaps the Budget Committee's standpoint—if you conclude, and I think I probably do, given the past history, if you conclude that eventually, whether it is in five years or fifteen years, that eventually, the Congress is going to take WIC to the point where it is serving all of the eligibles, then what we have been doing in the past few years is we have the Budget Committee earmarking a certain amount of money to get there each year.

A significant part of it does not get there, and then the Budget Committee has to keep putting in more each year. It is inefficient, in a sense. A significant amount of the money you and the Budget Committee put in does not get there. The number of times you have to put that increment in—

Mr. GOODLING. Because the Appropriations Committee does not come through with the appropriation.

Mr. GREENSTEIN. The Appropriations Committee argues that some of the other cuts the Budget Committee assumes are not realistic, for all their 302(b) issues, as you well know, in terms of the allocations, but when all is said and done at the end, the money does not get there to a certain degree.

I think there is actually somewhat of a fiscal argument that if you want to single out several key things as priorities, I think Head Start this year, since President Bush has that amount in his budget, I do not think the Appropriations Committees are not going to put it in and be below the president.

But, in general, if one wants to set these goals, the Budget Committees over time have to end up putting in more than they otherwise would over a five or ten or whatever year period to get there, if a lot of the money ends up dribbling off to other places that you had not really thought of as priority programs. So, that is kind of the thinking here.

Mr. GOODLING. One last question, and this could go both to Ms. Gardner and Ms. Pannell. I would tell all of you if you are not CLOC people, if you want to see a good program in operation, I'm sure she would be happy to have you out there to see that.

We have some in Pennsylvania and they are represented back here. I'm sure Mr. Miller would like to have you come and see his operation.

My question is: When the ASFSA people testified, they talked about a management institute. The reason I'm zeroing in on both of you is: Could this not be duplicative of NET? It seems to me that there would be some overlapping. It seems to me the one could be doing that job at the present time.

Is there a necessity for another separate entity which would have to be funded?

Ms. GARDNER. When you are talking, I am thinking about an experience that I had in the very beginning of the NET Program back in 1978 and 1979, where our brand new set of regional coordinators were out there and they were doing their first training sessions for school food service people.

They treaded on regulations and they should not have been treading on regulations; that was something that was left to the other set of people in our State Education Department who were really the child nutrition school food service authority types. We got into all kinds of trouble.

I guess what I am trying to say to you is I think that we understand that there are some pretty clear lines out there about the kinds of training that NET people are supposed to be doing with school food service people and the kinds of other training needs that school food service people have that we are not supposed to be dabbling with, so to speak.

Mr. GOODLING. Couldn't we have a marriage?

Ms. GARDNER. In New York? We do have a marriage in New York, but we are still very careful about there being certain things that we should not be training in. Our focus is really nutrition education, menu planning and what kinds of ways can you attract kids to be interested in School Breakfast and School Lunch.

Mr. GOODLING. That is what I think they want with a management institute.

Ms. PANNELL. Well, I would hope that they would also concentrate on some of the problems of managing a school food service operation such as financial, the accountability.

We are learning more and more the importance of that accountability with the groups of auditors that are headed our way. Handling a free and reduced price program, the application part of it, we all definitely need training in that. I think these are technical areas that maybe the NET money may not be getting into.

I also hope that an institute of that type might standardize some of the technical training for food service programs. One of the regrettable things, I think, is how different states invent the wheel over and over again.

If you visit the stacks out at the Agricultural Library in Beltsville, you will see that each of these states have developed some great material. Much of it is duplication and, regrettably, no other state gets to use it.

I would love to have a copy of all of that, but instead, I hope that an institute such as this would standardize some of that and not make it necessary for everybody to write a book on accountability, for example.

Mr. GOODLING. Thank you.

Mr. MARTINEZ. Thank you, Mr. Goodling.

Mrs. Lowey?

Mrs. LOWEY. Thank you, Mr. Chairman.

I just have one other question for Ms. Locke. I am particularly interested in hearing more about the child care food program in light of the fact that we are all pushing to pass a major child care bill this year.

I would appreciate your comment on the participation, in particular, of low-income children. Could you elaborate on that?

Ms. LOCKE. Yes, I could. Thank you very much.

I think, in the child care food program, we need to understand that it serves three distinct groups of children: one, the children in Head Start Programs, which is a means tested program; two, children in child care centers which receive significant subsidy; and,

three, children in family daycare homes where the parent fees are used to pay for the child care.

We have been very concerned, in this particular program, that we need to reach out and include more low-income children, particularly in family daycare and particularly in center-based care.

I would like to address them from both standards, if I may. One, in child care centers, for profit programs may participate in the Child Care Food Program if 25 percent of their enrolled children are funded through Title XX.

As we are all well aware, Title XX has not expanded for child care in several years, so it is a very stable population at this point; however, there is additional funding for children in child care, particularly with the advent of welfare reform and the guarantee of child care in that legislation.

We would ask that the committee consider looking at a change in this that would allow these programs to participate if 25 percent of their children were eligible for free and reduced price lunches.

The second issue is children in family daycare. We have shown by the actual participation figures that we are increasing the number of low-income children that are being reached by this program if we look at actual participation figures.

One of the problems that we see, as I have detailed in the information for the record, is that we have no outreach funds to reach out to unserved and to low-income areas. There are many, many problems.

For example, one sponsor in the Los Angeles area speaks about the fact that they must have bilingual people on the staff; that they have to make sure that the forms are maintained bilingually. This is a major problem for them. They have to bring up educational attainment, as we do, particularly in many parts of Kentucky, to a point where people can participate.

If there are no funds in this program, the only funds sponsors get are those after a program meets standards and begins to participate. As recent studies have shown, we are not getting full cost of administering the program to begin with, so we reach out.

Those people who are included in the program many times are those that are the easiest to serve unless we are fortunate to access additional fundings from other foundations and local sources to develop and create family daycare.

We think that the outreach funding in the family daycare portion of the program is a major need and, certainly, that outreach needs to come from both sponsors and from USDA aggressively reaching out to low-income and under served areas along with sponsors.

We would ask one other thing, as I have detailed in my testimony. We would like for USDA to be involved and be concerned about reaching out to low-income children. For example, in Kentucky, we have only twelve family daycare homes licensed for six or less children in the entire state. Only twelve homes for six or less children in Kentucky can participate in this program. There is a major problem that exists.

We would like for USDA and our State Agency to be concerned about what they can do to reach out and make sure that more children are included in this program. As advocates, we are working

on that, but when problems like that exist over a period of time, we would like to see them initiate some concern and say what can we do to bring more children into the programs.

Thank you.

Mrs. LOWEY. Thank you very much. Just one other quick question. I know that there was a cutback in the program and the second snack was eliminated.

Would you comment on this? What action would you recommend?

Ms. LOCKE. Certainly, you are right in that this was removed from the Child Care Food Program. It was reinstated for centers last year under the Hunger Prevention Act and was reinstated in a pilot way in Minnesota with that particular Act.

We think that with the release of the recent study by USDA on family daycare, it has pointed out that children in family daycare are in there for a longer period of time, more hours per day, more evenings, more weekends. You have the substantiation with this particular study to say we definitely need that second meal service in family daycare in the Child Care Food Program.

We certainly would urge this committee to implement that.

Mrs. LOWEY. Do you have an idea of what that would cost?

Ms. LOCKE. I am not a budget person. I am certain that there are figures available that the committee could access.

Mrs. LOWEY. Thank you.

You looked like your finger was up. Did you want to comment on that?

Mr. GREENSTEIN. That was looked at last year and I don't remember precisely, but I think the cost was somewhere in the area of thirty or thirty-five million dollars for the second snack in the homes. I think the reason it was done in the centers and not in the homes last year was, in part, the cost. It was ten million in the centers and I think about 35 million is the figure I remember in the homes.

Second, because the income profiles were so different, about seventy percent of the children in the homes were above 185 percent of the poverty line and the reverse is true in the centers. Congress last year took the less expensive, more targeted piece.

Mrs. LOWEY. Thank you very much.

Mr. MARTINEZ. Thank you, Ms. Lowey.

On behalf of the Chairman, Gus Hawkins, who I am sitting in for today, and on behalf of the ranking Minority Leader, Mr. Bill Goodling, I wish to thank all of you for appearing before us today and providing us with the insightful informative testimony you have given us. It is invaluable. We thank you again.

We are now adjourned.

[Whereupon, at 11:12 a.m., the subcommittee was adjourned.]

[Additional material submitted for the record follows.]



Bread for the World

A Christian Citizens' Movement in the USA

STATEMENT OF BREAD FOR THE WORLD

ON WIC AND CHILD NUTRITION, REAUTHORIZATION FOR THE HOUSE EDUCATION AND LABOR COMMITTEE

SUBCOMMITTEE ON ELEMENTARY, SECONDARY AND VOCATIONAL EDUCATION

MARCH 2, 1989

Bread for the World, the national Christian citizen's lobby on hunger, is spearheading a campaign in 1989 to seek full funding for the Special Supplemental Food Program for Women, Infants and Children (WIC) so that all eligible women, infants and children will be able to receive WIC benefits.

This campaign to expand WIC has sparked widespread support among church members and leaders, leaders of the business community and a broad-based coalition of nutrition, health, labor and education organizations. Attached to our testimony is a list of religious leaders who support planned expansion of the WIC program.

We recommend that Congress mandate annual WIC increases of \$150 million above current services in each of the next five years. This would provide services to an additional 300,000 women, infants and children each year. In order to assure increased funding, WIC should be changed from a discretionary funding program to a program category requiring specified increases.

With assured funding, WIC administrators could plan for steady increases in caseload. Together with cost containment measures that can

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free up additional money to serve more of the eligible population, this modest annual increase could enable us to near the goal of being able to serve all women, infants and children who qualify for WIC.

Investing in Our Future

The WIC program has had exceptional success in reducing malnutrition and its harmful effects. It has given millions of babies and children a chance to live normal, productive lives. However, because of funding limitations, millions more eligible pregnant women, infants and children have not been able to participate in WIC. As a result, many children have suffered the severe, long-lasting and costly consequences of being hungry and malnourished at this vulnerable stage of development.

We know that the serious budget deficit makes this a difficult year to increase funding for government programs. But children cannot wait, and our nation cannot afford to neglect them. Each child is precious in the sight of God. Each child is also a precious resource for our nation that we must not waste. Recent reports from the Committee on Economic Development, the Council on Competitiveness, and the National Governor's Association, laud early childhood intervention programs including WIC that actually save the government and society money in the long run. Assuring a nutritionally healthy start in life is essential. A fully funded WIC program can assure this healthy start for children in poor families.

We do not, however, support cuts in other programs which provide assistance to low-income people in order to increase the WIC program. These programs currently have little enough funds to carry out their needed functions. We suggest that the U.S. government budget can accomplish both priorities by reducing proposed military expenditures and closing tax loopholes if necessary.

Other Issues in WIC Reauthorization

Bread for the World recognizes that the percentage of WIC funds set aside for nutrition services and administration has not been adequate in recent years to maintain a satisfactory level of services. Most women go to WIC clinics because they need the supplemental foods. However, the other services WIC offers through nutrition counseling and referral to health care programs are just as valuable because they provide long-term health benefits.

In most WIC clinics, staff members have too large a caseload for them to give participants much individual attention. For example, the WIC program provides an excellent opportunity to encourage and support breastfeeding among low-income women. However, this counseling is a

time-consuming task, and sometimes WIC staff cannot give it adequate attention. Support for breastfeeding and nutrition education must be maintained as a major focus of the WIC program.

Bread for the World recognizes that an expanded WIC program will put more stress on currently inadequate prenatal care and other maternal and child health services. WIC administrators often detect health problems in the women and children who come to WIC clinics. They refer them to health providers for follow up care. We encourage Congress to increase the accessibility of prenatal care and support funding increases for maternal and child health services.

Other Child Nutrition Recommendations

Bread for the World strongly supports all the child nutrition programs because they help provide a nutritionally adequate diet to millions of children. We urge the committee to consider ways to encourage more schools to offer school breakfast, especially in areas with large numbers of low-income children.

We also support expansion of the Summer Food Program to allow well-run private nonprofit groups which offer summer programs to children to participate in the program.

Nutrition education is critical in encouraging healthful eating habits among children and teenagers. We urge you to increase funding for the Nutrition Education and Training Program.

Finally, Bread for the World encourages you to support nutrition monitoring legislation, H.R. 677. Although this bill will not be considered by this committee, it does address important nutrition issues. It is vitally important to monitor the nutritional health of our population, especially vulnerable groups such as children, so that we can have current and accurate data on nutritional status. With this information, government can better plan for changes needed to improve health.

Thank you for considering our views. This committee has a long history of careful attention to children's nutritional needs. We believe that the time is right to assure that the WIC program has guaranteed annual increases in funding that will enable it to plan an orderly expansion of its valuable services.

RELIGIOUS LEADERS' STATEMENT IN SUPPORT OF PLANNED EXPANSION OF THE WIC PROGRAM

The Special Supplemental Food Program for Women, Infants and Children (WIC) has been exceptionally successful in reducing malnutrition and its harmful effects during pregnancy and in the initial years of a child's life. It has given millions of mothers and babies a chance to live healthy and productive lives.

A five-year national WIC evaluation study shows that participation in WIC reduces fetal death and low birth weight, prevents anemia and improves children's cognitive development. WIC participation also increases prenatal care, improves children's medical care and leads families to buy more nutritious foods.

WIC's effectiveness in preventing medical problems saves money in the long run. For example, a Harvard study showed that three dollars are saved in hospital costs for newborns for every one dollar WIC spends on prenatal nutrition services. Intensive care for a baby with low birth weight averages about \$13,500. The lifetime cost of low birth weight can reach \$400,000. These costs compare with spending less than \$400 to have a pregnant woman on the WIC program.

WIC enjoys strong bipartisan support in Congress. President George Bush has also praised the program.

Despite this widespread support, WIC funding is currently limited so that the program can serve only half of those women, infants and children who are eligible.

We in the religious community urge Members of Congress to make the program available to all who qualify. We support a proposal that would mandate annual incremental funding increases for WIC of at least \$150 million above current services for the next five or six years. This would allow for a planned expansion of the WIC program toward the goal of full funding.

Religious Leaders in Support of WIC Expansion As a Mandatory Spending Program

Rev. Arne Brouwer
President
National Council of the Churches of Christ
in the U.S.A.

Rev. William Byrnes, SJ
President
The Catholic University of America

Bishop Herbert W. Chilstrom
Evangelical Lutheran Church in America

Sally Ernst
President, United Methodist Women's Division
General Board of Global Ministries

Rev. Roland Faley, TOR
Executive Director
Conference of Major Superiors of Men

Dr. Sylvia Faulk
President, Women's Missionary Council
Christian Methodist Episcopal Church

Alice Galin, OSU
Executive Director
Association of Catholic Colleges and Universities

Rev. Roger Greenway
Executive Director, Board of World Ministries
Christian Reformed Church

Dr. Vernon Grounds
President Emeritus
Evangelical for Social Action

Bishop Thomas Gambleton
Auxiliary Bishop of Detroit

Dr. Lee Haines
General Secretary, Education and the Ministry
The Wesleyan Church

Rev. Eugene Hendeman
Secretary for Programs
Reformed Church in America

Mrs. Goldie Hollie
President of Women's Department
Progressive National Baptist Convention, Inc.

Dr. John O. Humbert
General Minister and President
Christian Church (Disciples of Christ)

Mary Lou Kownacki, OSB
National Coordinator
Pax Christi

Mrs. Mary Ann Kramer
President
National Council of Catholic Women

Rabbi Lynne Landsberg
Associate Director
Religious Action Center Reform Judaism

Rev. Joseph Lang, MM
Executive Director
U.S. Catholic Mission Association

John A. Lapp
Executive Secretary
Mennonite Central Committee

Donald E. Miller
General Secretary, General Board
Church of the Brethren

Rev. Dr. Edwin G. Mulder
General Secretary
Reformed Church in America

Bishop P. Francis Murphy
Auxiliary Bishop of Baltimore

Randolph Nugent
General Secretary
General Board of Global Ministries
United Methodist Church

Dr. Avery Post
President
United Church of Christ

Clair Randall
President
Church Women United

Rev. Graham H. Rights
President, Southern Province
Moravian Church in America

Janet Roesener, CSJ
Executive Director
Leadership Conference of Women Religious

Rev. William Schulz
President
Unitarian-Universalist Association

Richard S. Scobie
Executive Director
Unitarian-Universalist Service Committee

Arthur Simon
President
Bread for the World

Dr. Wallace B. Smith
President
Reorganized Church of Jesus Christ
Of Latter Day Saints

Edward F. Snyder
Executive Secretary
Friends Committee on National Legislation

Dr. Gordon Sommers
President, Northern Province
Moravian Church in America

Beverly St. John
Moderator of the General Assembly
Cumberland Presbyterian Church

Bishop Joseph M. Sullivan
Chairman, Committee on Domestic Policy
U.S. Catholic Conference

Nancy Sylvester, IHM
National Coordinator
NETWORK

Dr. Daniel Weiss
General Secretary
American Baptist Churches in the U.S.A.

Deiores Kennedy Williams
President, Women's Missionary Society
African Methodist Episcopal Church



Bread for the World

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NUTRITION EDUCATION & TRAINING

NET FACT SHEET

• The Surgeon General's Report on Nutrition and Health released in July of 1988 emphasized the link between diet and its relationship to the leading causes of death and disability among Americans.

• The report states that educating the public about dietary choice is essential and that educational efforts should begin in primary school and continue throughout the secondary grades.

• Fortunately, the mechanism to accomplish this goal is already in place with the Nutrition Education and Training (NET) Program. The NET program, established in 1978, is the educational component of the Child Nutrition Program and is dedicated to improving nutrition knowledge of teachers, school food service personnel and children of all ages. NET provides children with the reasons to make wise food choices while giving them the opportunity to practice that knowledge in the school cafeteria. What better way to lower future health care costs?

• NET was originally funded at 50¢ per child for a total of \$26 million nationwide, was cut to \$15 million in 1981, and was further cut to \$5 million in 1982. The NET program has lost 4/5ths of the original funding specifically targeted to teach nutrition; therefore, states are now receiving less than 10¢ per child.

• When NET was originally funded, the program annually reached 211,790 teachers, 103,313 food service personnel and 5.6 million students. Now, ten years later, with less than half the original staff, the program reaches 85,034 teachers, 67,393 food service personnel and 2.2 million students with nutrition information.

• NET funds are not tied up in administrative costs. Instead they are used for training programs for teachers and food service personnel and in many states they flow through to local school districts and colleges as educational grants. Funds have been utilized to provide training for the teachers, children, and school nutrition personnel from child care programs through twelfth grade. In addition they have been used to produce nutrition curriculum, training videos, public service announcements, and specialized nutrition materials and programs for sports enthusiasts, pregnant teens, handicapped individuals, adolescents at risk and child care programs.

• NET programs have achieved remarkably impressive accomplishments with limited funding such as: nutrition curriculum for pre-school, primary and secondary students; nutrition and management training for school nutrition personnel; nutrition training for teachers, education materials, libraries and nutrition resources for local school districts; development of computer software and mini-grants to local school districts and community groups.

• In a recent national survey, the percent of states identified specific nutrition education needs as:

- 83% - increase nutrition knowledge
- 55% - improve attitudes
- 70% - improve eating habits
- 63% - improve management skills of school nutrition personnel
- 85% - others, such as development of materials, quality school meals, nutrition education in child care programs, information about dietary guidelines and coordination of nutrition information among government agencies and the community.

• Although formal evaluation has been severely curtailed due to decreased funding, results are available that show a significant improvement in knowledge, attitudes and nutritional practices of children, teachers and school nutrition personnel.

• Without reauthorization of NET, there will be no organized educational program to emphasize nutrition — no funds dedicated specifically to nutrition education in most states. The nation will lose the leadership and advocacy for better nutrition provided by NET staff already in place.

With NET, there can continue to be effective nutrition education for our nation's children.

With increased funding, nutrition training can be expanded and updated, more people reached and statewide nutrition policy developed.

• One of the values of school nutrition programs is the consistent, equitable opportunity for all children to have nutritious meals. NET needs to receive the same emphasis as the educational arm of this valuable program.

Prepared by Nutrition Education and Training State Coordinators



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STATEMENT OF
THE NATIONAL ASSOCIATION OF STATE BOARDS OF EDUCATION
ON THE REAUTHORIZATION OF CHILD NUTRITION AND NATIONAL SCHOOL LUNCH ACTS
TO THE
HOUSE SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND VOCATIONAL EDUCATION

MARCH 1989

Gene Walhout
Executive Director

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The National Association of State Boards of Education (NASBE) is a private nonprofit organization representing over 600 state board members from 45 states, three territories and the District of Columbia. Our principal objectives are to strengthen state leadership in education policymaking, promote excellence in the education of all students, advocate equality of access to educational opportunity, and to assure responsible lay governance of public education.

While NASBE's primary purpose is to determine educational policy, we fully recognize the direct correlation between health, a child's quality of life and his or her educational success. It is because of this belief that we welcome an opportunity to comment on issues relating to the reauthorization of child nutrition programs in H R 24.

NASBE wishes to commend Chairman Hawkins for his tireless commitment to ensuring that all our nation's children are provided with a quality education. Equally important, we applaud his recognition of the relationship between nutrition and learning.

Although the principal purpose of these proceedings is to address issues relating to the reauthorization of child nutrition programs in H R 24, NASBE would like to take this opportunity to address briefly the fiscal year 1990 federal budget. To ensure that the programs in H R 24 have sufficient resources to meet current needs, NASBE calls on members of Congress to pass a fiscal year 1990 child nutrition budget that reflects the importance of child nutrition programs to quality education. Further, NASBE urges Congress to oppose attempts by the Administration to eliminate the NET

program and to reject such "deficit-reducing" options as the elimination of cash subsidies for children who are currently ineligible for these programs

NASBE strongly endorses the reauthorization of child nutrition programs under the National School Lunch and Child Nutrition Act. In particular, NASBE endorses the continuation of the National School Lunch and Breakfast programs because they are essential components of the American education system. Thousands of children across this nation receive their only hot, nutritional meals through these vital programs. We know that -- regardless of how outstanding the programs or how good the teacher -- hungry children do not learn.

NASBE supports increased authorization levels for all child nutrition programs in H.R. 24. This would allow current participation levels in these programs to be restored at a time when research indicates poverty and general malnutrition among children is increasing to the higher levels of participation existing before 1980. For example, the fiscal year 1989 National School Lunch program participation level of 24 million children could be restored to the fiscal year 1979 level of 27 million. In addition, NASBE supports full authorization of Section 4 of the National School Lunch program. Section 4 payments to schools are essential to keeping the prices of school lunches down and participation rates up.

The Nutrition Education and Training (NET) program is also an important component in providing nutrition education to teachers, parents and children. The goal of NET is to ensure that parents and children understand

the relationship between good nutrition, health and learning. It is incumbent upon us as a nation to advocate health lifestyles to our children from the earliest possible age and NET provides a critical mechanism to deliver the appropriate training. NASBE calls for a substantial increase in the NET budget. The current authorization level of \$5 million is inadequate if we are to expand nutrition education within communities and schools.

NASBE recognizes as central, issues relating to program quality and Section 4 payments which the subcommittee must address during this reauthorization. We believe the importance of these issues has been addressed adequately by others who appeared before the subcommittee, however, and thus we wish to focus on the health and nutrition needs of adolescents. There is a misperception among some that federal child nutrition programs should primarily target the needs of elementary and secondary school children. Very little attention is given to the health needs of early adolescents and teenagers.

Numerous studies show teens to be among the most poorly nourished in our country. Teenagers undergo dramatic physical and emotional changes in a relatively short period of time. Their rapid increases in physical growth and development actually result in an increased need for nutrients. Numerous psychological and social factors, however, frequently dominate the eating habits of teens, often to their detriment. Therefore, in reauthorizing child nutrition programs, Congress is urged to consider the following:

I. THE PARTICIPATION RATES OF TEENS IN SCHOOL-BASED MEAL PROGRAMS MUST
BE INCREASED

Teenagers tend to have the lowest participation rates in school meal programs, eliminating an important source of good nutrition. The reasons for low participation rates of teenagers are diverse:

- o In spite of supposed anonymity, students feel singled out as being poor in a very public way when they receive free or reduced-priced meals. Simply eating in the school cafeteria is seen by some students as a statement of poverty.
- o School policies allowing students to leave campus during lunch hours or permitting foods of no or limited nutritional quality to be available to students through vending machines and student canteens diminish the importance of "eating healthy."
- o Teens from poor families often come to school with little or no breakfast. One study indicates that many poor families make food available to the family's younger children first, while the older ones are expected to find other ways to get food, since they can be more independent.

With its relatively high percentage of needy children, our country cannot afford to allow children to lose the nutritional benefits provided by school meal programs. Therefore, NASBE proposes the following recommendations to increase the participation of adolescents in these

programs:

- o Improve menu selections and permit student participation in menu development
- o Provide incentives for schools to decrease the number of vending machines and student canteens that supply "junk food "
- o Use incentives to encourage schools to improve the physical environment of school cafeterias

II. THE LEGISLATION SHOULD ADDRESS THE PREPONDERANCE OF EATING DISORDERS AMONG TEENS

Obesity is one of our nation's most prevalent forms of malnutrition. It affects approximately 10 to 20 percent of all teenagers. It often undermines the self-concept of adolescents who are directly affected by it. Many adolescents are obsessed with weight gain and loss which leads to a number of eating disorders, such as

- o Bulimia
- o Anorexia Nervosa
- o Dietary Abuse

NET school counselors and public service activities should educate young people about the dangers of these disorders and encourage them to seek help if they are suffering from these problems.

III. ATHLETIC PROGRAMS SHOULD FOCUS ON POSITIVE AND HEALTHY EATING HABITS

- o Many coaches and athletes harbor misconceptions about food intake during training. At a time when adequate energy and nutrient-intake is essential, they frequently over-emphasize the need for carbohydrates and fatty foods. NET can be used to educate coaches and students about healthful practices.
- o The use of performance-enhancing drugs can disrupt adolescents' normal growth and development. Incorporating comprehensive education into a NET program can reinforce a positive message to coaches and athletes.

IV. ADDRESS THE NEEDS OF PREGNANT TEENS IN SCHOOL

- o The unfortunate and dramatic increase of pregnant teens in schools must be acknowledged. In 1984, the number of infants born to teenage mothers was close to a half million. Pregnant teenagers are at greatest risk for having low birth-weight infants, spontaneous abortions, premature deliveries and complications during pregnancy. The social and medical cost of these problems is tremendous. To counter the low birth-rate among pregnant teenagers and to decrease the number of children of teenage mothers who enter special education programs, it is essential that pregnant teens have access to good nutrition. They must also be made aware of the close relationship between healthy mothers and healthy babies.

V. UTILIZE NET TO ADVOCATE HEALTHY LIFESTYLES

The goal of NEI is to 1) teach children the value of a nutritionally-balanced diet through positive daily lunchroom experiences and appropriate classroom reinforcement, 2) develop curricula and materials, and, 3) train teachers and school food service personnel to implement nutrition education programs. Moreover, NET seeks to ensure that parents and children understand the relationship between good nutrition and learning. It is incumbent upon us as a nation to advocate healthy lifestyles from the earliest possible age and NET provides a mechanism to deliver appropriate training.

Teens' lifestyles often involve meal skipping, snacking, and meals away from home. Busy schedules and newly acquired feelings of independence among adolescents result in more independent decisionmaking about food choices. Adolescents often make food choices based on peer pressure, status and enjoyment, rather than on the basis of nutrition. A comprehensive health and nutrition education program should emphasize the need for healthy balanced diets. Students should also be made aware of the fact that drug and alcohol abuse can affect nutrient intake, as well as disrupt the normal growth and development of teenagers.

The effects of poor dietary practices on an adolescent's future health is often not part of his or her thinking. However, with increasing evidence that lifelong nutritional habits affect the onset of major chronic diseases and that major causes of death in this country are linked to diet-related factors, adolescents must be made aware through education of the adverse

impact a poor diet can have on their future

NASBE urges Congress to look carefully at the benefits of the NET program, especially as it relates to nutritional education for students, and to provide it with sufficient resources to enable it to provide these benefits

Further, we urge consideration of the following recommendations:

1. Congress must encourage schools to connect classroom learning about nutrition with what goes on at meal times and interact with other school health components
2. Nutrition education programs should be age appropriate, sequential and comprehensive to address the nutritional and education needs of all children. It must also be integrated into reading, science, language arts, history and mathematical concepts
3. The program must address adolescents' interests and needs, and link nutrition to personal appearance, athletic ability, food preference and social likes
4. Student and parent involvement in school lunch program planning, administering and evaluating should be encouraged, students should have a choice of foods with each meal and should have a pleasant environment in which to eat

- 5 Collection methods that don't distinguish poor children from others and make the program attractive to children at all income levels should be instituted to increase program participation
- 6 NASBE urges Congress to look carefully at the benefits of the NET program, especially as it relates to nutritional education for students, and to provide it with sufficient resources to enable it to provide these benefits
- 7 Congress must provide the resources for quality training of food service personnel in applying dietary guidelines in meal planning, preparation and service, as well as encourage increased coordination between such national organizations as the National Cancer Institute and the American Cancer Society with state health education agencies and American School Food Service Association (ASFSFA) affiliates
- 8 Finally, NASBE supports and urges Congress to encourage efforts to promote and expand nation-wide creative programs such as the School Nutrition Action Project (SNAP), as evidence suggests the program works to enhance communication between schools and parents and to bring positive, healthful changes to school lunch menus and nutrition education efforts

We appreciate the opportunity to present our views to the subcommittee

2-1



STATEMENT

FOR THE RECORD

BY

THE AMERICAN ASSOCIATION OF RETIRED PERSONS

BEFORE THE

SUBCOMMITTEE ON ELEMENTARY, SECONDARY AND VOCATIONAL EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR

REGARDING THE

REAUTHORIZATION OF THE NATIONAL SCHOOL LUNCH ACT
(H.R. 24)

U.S. HOUSE OF REPRESENTATIVES

MARCH 2, 1989

For more information contact:

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Louise D. Cooks, President

Harold B. Price, Executive Director

established by the Food and Nutrition Board of the National Academy of Sciences-National Research Council.

This standard would be reasonable for any lunch or dinner served in an adult day care center. Amounts served for breakfasts or supplements could be less.

Although older persons require fewer calories than younger persons, they need comparable amounts of nutrients to maintain good health and nutrition. As a result, the foods in their diet must have a high yield of nutrients per calorie. While more research is needed to determine the optimum diet for the elderly, there is information that may be drawn upon in developing appropriate meal standards.

For example, Marion Franz, in the "Journal of Nutrition and the Elderly," includes as nutritional recommendations for the elderly:

- o a minimum of 50 to 60 grams of protein per day;
- o increased levels of vitamins C and B. Often these vitamins are not as readily absorbed by older persons or their absorption may be interfered with as a result of prescription medications;
- o a daily intake of 1 gram of calcium because of the prevalence of osteoporosis;
- o 10 to 12 milligrams of iron a day to prevent iron

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SPECIAL ARTICLE

The NET Program: A Ten-Year Perspective

BARBARA B. KALINA,¹ CAROL A. PHILLIPS,²
AND HELEN V. MINNS³

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In 1968 the Nutrition Education and Training (NET) Program marked its tenth year of implementation. As the NET Program begins its second decade, it is time to reflect on these key questions:

- Why should nutrition education be undertaken in school and child care settings?
- What is the mission of the NET Program?
- How effective has the NET Program been?
- What fiscal, political and organizational factors affect the NET Program?
- What have we learned in ten years of the NET Program?
- What should the future hold?

The NET Program has evolved in the midst of an unprecedented interest in nutrition education and dietary guidance. According to Johnson and Johnson (1), almost 80% of the nutrition education studies conducted from 1900 to 1984 have been done since 1970.

In 1950 the U.S. Departments of Agriculture (USDA) and Health and Human Services (HHS) jointly published the first edition of *Dietary Guidelines for Americans* (3). Revised in 1985, this report lists seven recommendations that address the relationships among diet, health, and the reduction of risk factors related to chronic disease. In the recent *Surgeon General's Report on Nutrition and Health: Summary and Recommendations*, which reviews the scientific evidence of dietary excesses and imbalances and their relationship to chronic disease, U.S. Surgeon General Dr. C. Everett Koop states, "I am convinced that with a concerted effort on the part of policy makers throughout the Nation, and eventually by the public, our daily diets can bring a substantial measure of better health

to all Americans" (4). The professional health community is calling for individuals to take responsibility for their own nutritional well-being, however, in order to accomplish this, nutrition education is necessary. People need help in deciding what and how much to eat, how to discriminate among food products, and how to interpret the often conflicting nutrition messages related by advertising, interest groups and educators.

To help bring this disease prevention and health promotion effort into school and child care settings, where young learners are acquiring knowledge and habits for lifelong application, Congress enacted the Nutrition Education and Training Program, Public Law 95-166, a 1977 amendment to the Child Nutrition Act of 1966. The legislative purpose of the NET Program was "to encourage effective dissemination of scientifically valid information to children participating or eligible to participate in the school lunch and related child nutrition programs." The NET Program is administered nationally by the USDA through "a system of grants to State educational agencies for the development of comprehensive nutrition information and education programs." The law requires that the NET Program fully utilize the school lunch and other child nutrition programs as learning laboratories (5).

The major NET Program goals, which the legislation requires the states to address, include:

- the instruction of students pre-school through grade 12, in the nutritional value of foods and the relationships between food and health,
- the training of school food service personnel in nutrition, food service management, and the use of the school cafeteria as an environment for learning about food and nutrition,
- the inservice education of teachers and other school staff in nutrition education and in the use of the cafeteria as a learning laboratory, and

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- the identification, development and dissemination of nutrition education resources and curricula

This program is significantly different from the National School Lunch, School Breakfast and Child Care Food Programs, because the NET Program provides direct educational benefits to children, rather than foods or funds to purchase, prepare and serve foods. Unlike the Special Supplemental Food Program for Women, Infants and Children (WIC) and Food Stamp Programs, its purpose is to serve all children, not just children who are at economic and, therefore, nutritional risk.

In order to receive NET Program grant funds, state educational agencies must designate a coordinator and submit an annual program plan that addresses their state nutrition education needs. From their inception, state NET Programs have conducted assessments of the nutrition education and training needs of children, teachers, and food service personnel. The plans submitted by the state agencies describe the projects and services they have designed to meet their identified nutrition education and training needs. They also include plans for evaluating the effectiveness of the projects and services. Data from these evaluations are then used to make adjustments in ongoing activities and to plan future projects.

Because it is the states who determine their own needs and who design the methods to address those needs, there is no single NET Program model. The resulting diversity allows each state to fulfill its own mission; unfortunately, it does not facilitate the evaluation of the NET Program's effectiveness on a national basis. Counts of the number of children, educators and food service personnel receiving nutrition education and training are the only statistics currently being submitted to the USDA by all state and territorial NET Programs. Thus, in Fiscal Year 1978, when the program received \$20 million in federal funding, 5,680,023 children, 211,795 educators and 103,373 food service personnel received NET Program services; whereas in Fiscal Year 1980, when the states were granted \$5 million, these totals were 2,295,365 children, 85,034 educators and 67,393 food service staff (6). However, these numbers alone do not tell the NET Program story. The national statistics currently being collected do not address the quality of the nutrition education provided, nor do they reveal whether children, teachers, or food service personnel, respectively, have applied any of the information or strategies to improving their own diets, their classroom instruction, or their food service programs. Furthermore, different states are often in very different stages of program implementation, making it difficult to compare data between states. Any attempts to measure NET Program effectiveness must look to the results of individual state evaluation initiatives. Although these data may not be nationally comparable, they do give a picture of the scope and cost effectiveness of the NET Program for specific projects and activities.

The only national study of NET Program effectiveness was conducted by Abt Associates, Inc. (7) between 1979 and 1980, under contract from the USDA. This occurred before the NET Program was fully implemented in all the states. Nevertheless, the study did determine that the NET Program had improved the nutrition knowledge of students during its first two years of implementation. The Abt study focused primarily on Georgia and Nebraska, but included data from internal studies conducted in California (8) and West Virginia (9). The effects on attitudes, food preference, plate waste, and other behaviors were not consistent across all the studies, but positive results were reported at some grade levels and for some food item combinations. A more recent study in Tennessee (10) reports some significant positive behavior change in primary grade children in schools receiving mini-grants when these schools used the state-recommended instructional framework for nutrition education. These results for young children are consistent with previous findings.

Despite these reports of NET Program effectiveness, fiscal and political forces have affected its development, and its full potential remains to be realized. Originally funded at \$26 million (\$0.50 per child) in 1973, the NET Program was cut to \$20 million in 1980, to \$15 million in 1981, and to \$5 million in 1982. The funding has remained at \$5 million annually since then. This 80% funding cut from 1973 to 1983 has forced states to select specific projects and services for implementation, instead of being able to put a comprehensive program into effect. For instance, the Texas NET Program concentrates primarily on services to pre-school children. In Minnesota, most resources are used for services to elementary schools and for training school food service instructors. Some states have been able to offer limited services to all of the target groups (students, teachers, and food service personnel) through partnerships with public and private agencies.

Overall, the reduction of federal funding has adversely affected not only the implementation of state programs, but also their visibility within the states, the development of new materials, and even the pursuit of evaluation studies. The negative effects of funding reduction both on the level of services and on program evaluation design have been reported by different states (11, 12). In many states, evaluation activities have had to be sacrificed altogether in order to maintain a minimum level of services. Thus, the very data on program effectiveness that could be used to justify restoration of funding to original levels or its increase to higher levels are, in many cases, either incomplete or missing.

Despite repeated federal administrative attempts to terminate the NET Program, Congress has annually appropriated at least \$5 million in federal funding. The Society for Nutrition Education (SNE), the American School Food Service Association (ASFSFA), the American

Home Economics Association (AHEA), and the American Dietetic Association (ADA) have lobbied for continuation of the NET Program. Their efforts, along with support from state departments of education and the growing public recognition of the importance of diet to health, have helped sustain the NET Program for ten years.

NET Program coordinators have had to learn how to work effectively at both the local and state levels. Since there is no single advocate for nutrition education in the schools, the NET Program has had the challenge of building a support system which includes educators from a wide variety of backgrounds and experience. An obvious but critical factor in comprehensive program implementation is the inclusion of nutrition education in the total school curriculum. This has been particularly difficult because nutrition education competes for time and emphasis with basic education, critical thinking skills development, and other health-related programs such as drug, tobacco and AIDS-prevention education. Olson et al. (13) and Gillespie (14) have reported that teachers perceive competition for class time and having more pressing subjects to teach as barriers to the inclusion of nutrition education in their curriculum. However, these barriers have tended to fall when nutrition education was integrated into other disciplines. Nonetheless, sustained interest at reduced funding levels has been possible only because state programs have put forth a strong rationale that nutrition education teaches life skills that all children need to know and practice.

The difficulties faced by educators in school and child care settings in attempting to change nutrition behaviors first learned and practiced in other environments is well recognized. This has led some practitioners, researchers and evaluators, such as Shannon et al. (15) and St. Pierre (16), to question whether behavior change is a realistic measure of success for school-based nutrition education programs. In general, the goals of most nutrition education programs have included knowledge gain, and positive changes in attitude and behavior. While the literature has reported positive results in knowledge gain in school-based NET projects, findings in the areas of attitude development and behavior change are less consistent.

Johnson and Johnson, after analyzing numerous nutrition education studies, concluded that "nutrition education is qualitatively more complex than are many other subject areas taught in schools. Besides the short-term mastery of facts and information, nutrition programs have to be concerned with the achievement of a wide variety of short-term and long-term goals" (1). Even the goals of short-term mastery of facts and the acquisition of information which can be validated by nutrition science are rapidly being modified or changed, thus reinforcing the notion of the complex nature of the field. Furthermore, nutrition messages are often a ambiguous or vague

(i.e., "make wise food choices," "eat a variety of foods," "limit total fat intake.") In addition, beyond the mere acquisition of knowledge, food preferences and eating patterns are culturally established and socially reinforced.

The difficulty of successfully attaining short and long term goals notwithstanding, it has been found that nutrition education can increase knowledge and can positively affect some attitudes and behaviors, in a variety of settings and using a variety of methods. Both centralized and decentralized delivery systems have been shown to be effective (7). In addition, NET Program coordinators are continually identifying a wide range of practices that demonstrate nutrition education theory being applied in the school and child care settings. For example, practitioners in several states have designed programs that operate on the premise that nutrition education is a people-to-people business, requiring face-to-face interaction. The research base for this belief has been summarized and supported by Johnson and Johnson, who cite the need for nutrition information to be vivid and personal (4, 11). Many nutrition education workshops for professionals have been effective because they begin by helping participants assess their own diet and food behaviors. Once interested in their own eating patterns and the related health implications, participants are led to realize the importance of nutrition education for children as well. This in turn can lead them to make a commitment to teaching nutrition and to create the necessary room for nutrition education in their instructional day.

The above reflections indicate that, after ten years, during which funding levels dropped from adequate to subsistence, the NET Program has experienced educational success. Clear needs have also emerged that give focus to future directions. In order to increase NET Program effectiveness and more accurately measure its impact, nutrition educators involved with this program should consider addressing the following areas:

1. Adoption of a working definition of nutrition education applicable within the NET Program. Consideration should be given to the proposals of Johnson and Johnson (1), St. Pierre (7), Contento (17), Sims (18), and the ADA (19). Such a consensus definition would not limit state program flexibility, but it would facilitate a national program design to guide evaluation efforts to which all state programs could contribute data.

2. Development or adaptation of a national framework for the NET Program that would include goals, objectives, and learner outcomes. By identifying these essential components of nutrition education, impact could be more readily measured.

3. Identification and utilization of reliable and valid instruments to measure knowledge, attitude, and behavior changes. This could lead to a computerized national test item bank for use by states or local schools to

assess student progress or to measure program effectiveness. When assessment items are closely aligned with program content and outcomes, benefits accrue to teachers and students alike. Results can be used to provide appropriate feedback, reinforcement, and remediation for students, and to improve program content and instruction.

4. Clarification of phrases such as "wise food choices" and "optimal diet" based on research in areas such as the levels of fat, cholesterol, and salt recommended for children, as well as on the risks of over-consumption of these and other dietary components.

5. Cooperation between researchers and practitioners to refine models for the delivery of nutrition education. Such a dialogue could lead to the testing of these models in more classroom settings and the eventual development of successful classroom practices. This cooperation would undoubtedly result in wider reporting of the findings and the general advancement of the field of nutrition education.

6. Communication with members of Congress and the USDA regarding program impact and the need for research, adequate and stable program funding, and administrative support.

7. Stability of funding at a level that will allow not only full implementation of a comprehensive program, but also longitudinal evaluation of NET Program effectiveness with particular regard to behavior change and attitude formation.

8. Utilization of staff development research findings in order to institutionalize nutrition education instruction in schools and child care settings. These findings indicate that two critical factors in successfully adopting curricular changes are sufficient teacher in-service time and teacher involvement in staff development planning (20).

9. Enhancement of the school cafeteria as a learning laboratory, and development of strategies for educational leaders to be able to use the school food programs as an instructional tool. Modeling is a strong form of teaching, and the messages of the cafeteria need to be aligned with those of the classroom.

10. Development of strong professional relationships with key groups that share with the NET Program an interest in the nutrition and health education of children: Parents, school nurses, food service staff and teachers of pre-school, elementary, education, home economics, science, health and physical education are some of those with whom the NET Program should continue cooperating.

11. Examination of less traditional settings for program implementation where instructional space may be more readily available than in the classroom. These may include programs for latchkey children, parent education programs, and other out-of-classroom settings.

The basic mission of the NET Program remains unchanged: to provide opportunities for students to acquire

the knowledge, attitudes and behaviors necessary to make informed and healthful food choices. Despite reduced funding, NET Program coordinators continue to work toward the goals set forth in the enabling legislation. NET projects and activities have increased children's acceptance of nutritious foods, improved teachers' knowledge of the principles and practices of nutrition education, developed and disseminated curricula and other nutrition education materials, developed school food service courses in both nutrition and school food service management, increased the use of the school cafeteria as a learning laboratory, and increased children's knowledge of the relationships among food, nutrition and health.

As in all other areas of nutrition education, research will continue to enhance the practice of nutrition education in school and child care settings. Limited funding will continue to restrict evaluation efforts, but cooperation between researchers and practitioners can serve to maximize the effectiveness of nutrition education. We offer the eleven areas of concern as a possible agenda for researchers and NET Program coordinators to use in their efforts to work together for the benefit of the children whom the NET Program is directed to serve.

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ANNOUNCEMENTS NATIONAL CONFERENCE ON ORGANIC/SUSTAINABLE AGRICULTURE

The Conference will focus on federal and state policies that would encourage organic and low-input farming. Speakers will describe successful efforts by farmers, state and federal government, and others to promote alternative agriculture, as well as obstacles in the marketplace and in government programs that hinder more rapid progress. Sponsored by the Center for Science in the Public Interest (CSPI), the Texas Department of Agriculture (TDA), the Minnesota Department of Agriculture, and the Institute for Alternative Agriculture, the Conference will be held March 16-17, 1989 at Washington, D.C. For further information, contact Dan Howell at (202) 332-9110, or write to CSPI/Organic Conference, 1501 Sixteenth St. NW, Washington, DC 20036

NCFAP INVITES APPLICATIONS FOR RESIDENT FELLOWSHIPS

The National Center for Food and Agricultural Policy (NCFAP) is inviting applications for resident fellowships in food and agricultural policy during the 1989-90 academic year. Up to three fellowships will be awarded, each for a period of six to twelve months, to young professionals who wish to pursue scholarly work on current or emerging national issues related to food and agricultural policy.

The award is open to individuals in any discipline who will have completed their doctoral requirements by the beginning of the 1989-90 academic year. Individuals from universities, government, and the private sector are eligible. Professionals who will be on sabbatical leave during the fellowship period are encouraged to apply.

The deadline for receiving applications is April 3, 1989. Awards will be announced in May 1989; an earlier decision may be made in the case of an applicant interested in beginning the fellowship during the summer.

For further information and application forms, contact Tamara A. Kloeckl, National Center for Food and Agricultural Policy, Resources for the Future, 1616 P Street, N.W., Washington, D.C. 20036. Telephone: (202) 328-3117.

HEARING ON H.R. 24, A BILL TO EXTEND THE CHILD NUTRITION AND SCHOOL LUNCH ACTS

THURSDAY, MARCH 23, 1989

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND
VOCATIONAL EDUCATION,
COMMITTEE ON EDUCATION AND LABOR,
Washington, DC.

The subcommittee met, pursuant to notice, at 9:30 a.m., in Room 2175, Rayburn House Office Building, Hon. Augustus F. Hawkins [Chairman] presiding.

Members present: Representatives Hawkins, Payne, Lowey, Po-shard, Unsoeld, and Goodling.

Staff present: John Jennings, counsel; Diane Stark, legislative specialist; Beverly Griffin, research assistant; and Mary Jane Fiske, professional staff member.

Chairman HAWKINS. The Subcommittee on Elementary, Secondary and Vocational Education is called to order. The hearing today is the last hearing on the child nutrition issue. We do have some problems with conflicts with other committees.

Is Mr. John Bode present? Are you able to testify at this time or do you need to leave?

Mr. BODE. Yes, Mr. Chairman.

Chairman HAWKINS. You may proceed, then.

Mr. John Bode is Assistant Secretary for Food and Consumer Services at the U.S. Department of Agriculture. Mr. Bode, we are delighted to have you before the Committee.

Would you identify the other witnesses and then you may proceed with your statement? The statement, in its entirety, will be printed in the record, and we would appreciate you giving us highlights and allowing time for questions, if we can do it that way.

You may proceed, then. Thank you.

STATEMENT OF JOHN BODE, ASSISTANT SECRETARY FOR FOOD AND CONSUMER SERVICES, U.S. DEPARTMENT OF AGRICULTURE, ACCOMPANIED BY SCOTT DUNN, ACTING ADMINISTRATOR, FNS, USDA, AND GEORGE BRALEY, DEPUTY ADMINISTRATOR FOR SPECIAL NUTRITION PROGRAMS, FNS, USDA

Mr. BODE. Thank you, Mr. Chairman.

I would like to introduce, on my left, Scott Dunn, the Acting Administrator of the Food Nutrition Service. Mr. Dunn has been serving as Deputy Administrator of the Food Nutrition Service for the Food Stamp Program. On my right is George Braley who is Deputy

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Administrator for Special Nutrition Programs of the Food Nutrition Service.

I appreciate the committee's understanding of the many time constraints on all of us. In summarizing, I would like to point out that the Bush Administration's proposal for the National School Lunch Program, School Breakfast Program, Child Care Food Program and Summer Food Service Program, is to support these programs at levels substantially higher than their 1989 funding levels.

The Bush budget would not reduce funding levels for the Child Nutrition Programs in general; furthermore, the Administration supports the continuation of all the child nutrition meal subsidy programs and including the reauthorizing of the Nutrition Education and Training Program, NET.

Switching from the level of support for a moment, I'd like to say a few words about the nutritional aspects of the School Lunch Program, recognizing that that is a special concern of this committee and it most certainly is of the Department, as well.

There has been considerable attention paid to these dietary concerns, particularly levels of fat, sodium and sugar, in meals served through Federal assistance. I would like to assure the committee of our continuing and abiding concern about the quality of diet achieved through the Food Assistance Programs.

In addition, I would like to mention a matter that has been of great concern in recent weeks. I realize the committee has heard a great deal about the Federal review system. It is our effort to independently verify school and school food authority claiming practices.

If I may just mention that we have seen evidence that gives us serious concern about accuracy of meal counting and claims procedures; therefore, we feel this modest effort to better get a handle on those meal counting claims activities is a necessary step to assure that the integrity of the School Food Assistance Programs is sound.

Of course, the Administration has a very firm commitment to the Special Supplemental Food Program for Women, Infants and Children. President Bush has recognized that as a program that warrants protection and expansion. The Administration is very concerned about that program and supportive of WIC.

With that, I will conclude the summary of my remarks, Mr. Chairman, and we would be delighted to answer any questions the committee would have.

[The prepared statement of John Bode follows:]

TESTIMONY OF JOHN W. BODE
ASSISTANT SECRETARY FOR FOOD AND CONSUMER SERVICES
U. S. DEPARTMENT OF AGRICULTURE
BEFORE THE
HOUSE COMMITTEE ON EDUCATION AND LABOR
MARCH 23, 1989

Thank you for your invitation to testify before the Committee today, Mr. Chairman. We are here to discuss the reauthorization of the Child Nutrition Programs.

Over the past several weeks, the Committee has heard testimony from a number of groups and individuals who care about the Child Nutrition Programs and want them to succeed. We agree with them that the Child Nutrition Programs have been a success and deserve continued support. While we may differ on specific issues, we all agree that our Nation's children and the taxpayers as well, deserve the most nourishing and most cost-effective programs we can devise. I would like to briefly outline and discuss our recommendations for the Child Nutrition Programs.

The Bush Administration's proposal for the National School Lunch Program, School Breakfast Program, the Child Care Food Program and Summer Food Service Program is to support these programs at levels substantially higher than their 1989 funding levels. The Bush Budget would not reduce funding levels for the Child Nutrition Programs. Furthermore, the Administration supports

the continuation of all of the Child Nutrition meal subsidy programs, including the reauthorization of the Nutrition Education and Training Program (NET).

To be specific, the Child Nutrition Programs, including the National School Lunch Program, the Child Care and Summer Feeding Programs and associated administrative expense funds would be funded at \$4.9 billion as compared to \$4.6 billion in Fiscal Year 1989. This level of support would enable these programs to continue to fulfill their critical role.

Switching from the level of support for a moment, I would like to say a few words about the nutritional aspects of the National School Lunch Program. There has been considerable attention paid to the fat, sodium and sugar content of the programs over the past several months. I would like to assure the Committee of our continuing and abiding concern in this area. The Department has reviewed and modified the guidelines, recipes, commodity specifications and other materials to see that the compliance with the Dietary Guidelines is as complete as possible. In recent years, USDA has also provided assistance to State and local cooperating agencies to comply with the Dietary Guidelines as they relate to the intake of sugar, fat and sodium. For example, the Department this past year issued revised recipe cards for school lunch managers in 90,000 schools that

incorporate reductions, where practical, in the levels of sugar, fat and salt.

We believe the Department has a good record of promoting practices in the school lunch program that are consistent with the Dietary Guidelines. As you know, the Dietary Guidelines call for moderation rather than set quantitative limits since there is currently insufficient evidence and consensus within the scientific and medical communities to support strict quantitative limits, particularly for children. Certainly, this is an area where scientific knowledge is evolving, and the Department must be prepared to respond to changes in information on this issue. We will continue to look for additional opportunities to help State and local school lunch managers moderate intakes of sugar, fat and sodium in lunches served. We are looking at areas to make further improvements such as examining the specifications for processed products, not only those purchased by the Department, but also specifications used by State and local cooperators in an effort to minimize sodium and fat. Often, more fat and sodium are added during processing than necessary or desirable.

Not only has USDA provided State and local agencies with improved guidelines on meal preparation, the Department has made a concerted effort to moderate the salt, fat and sugar in USDA

donated commodities over the past several years. For example, we have changed specifications on a number of canned products to reduce the sodium level to the minimum amount possible while assuring the palatability of the foods. We have set the specifications for ground beef to be an average of 22 percent fat content, which is much lower than standard ground beef. We have changed the specification for canned fruit products, and we buy them packed only in natural juice or light syrup. There are other examples where we have changed the specifications, but the point is we have improved them in line with the Dietary Guidelines and to make the foods appealing to recipients.

Also, we would like to identify additional opportunities to promote the need for moderation and to show State and local managers how to moderate the use of these items in their food preparation. The bottom line is: we think USDA should play and does play a leadership role in promoting healthier eating practices.

We intend to not only continue these efforts, but to make the food that USDA provides and the meal pattern guidelines we promote the best we can. We will be working with other officials in Government, such as the Surgeon General, and listening to outside experts' opinions to make improvements wherever possible.

Next, I would like to discuss a subject that has been of concern to this Committee and has received considerable attention by witnesses earlier this month, namely Federal Review -- our effort to independently verify school and School Food Authority claiming practices. Let me try to explain what it is and what it is not, to dispel, if possible, some of the "myths" surrounding the system.

Federal review is a temporary project to assess and improve the accuracy of school lunch claims. We have carefully designed the Federal Review System to complement, not duplicate, the ongoing State review systems under National School Lunch Program regulations.

AIMS (which stands for Assessment, Improvement and Monitoring System) was created in 1980 to improve the overall management of the National School Lunch Program. AIMS regulations require that State agencies review all School Food Authorities over a 4-year period. There are performance standards that schools must meet in approving applications for free and reduced-price meals, establishing free and reduced-price meal claims, counting meals and in meeting the school lunch meal patterns. Even with AIMS requirements in place, the Department continues to be aware through Office of Inspector General reports and on-site reviews by FNS personnel of substantial discrepancies in claims for meals

and the actual meals served. These reports were not statistically representative of all school districts nor do we wish by implication to impugn the efforts of schools as a whole. However, the magnitude of the problems found, and the large discrepancy between the claims for meals and the actual numbers of students enrolled, led us to believe that accountability needs to be improved. We expect to determine more precisely the nature of the problem and to identify solutions through our Federal review effort.

There is also some misunderstanding about "AccuClaim." This is not a separate new accountability system but rather a term used for the package of revisions to the NSL^r regulations and AIMS performance standards. AccuClaim regulations will require States to focus their AIMS' review efforts on schools most likely to have problems, tighten the standards for claiming meals for reimbursement from the Federal Government, and require that claims' action be taken if invalid reimbursement requests are uncovered. These rules will be effective for the upcoming School Year starting July 1, 1989.

Federal review is an effort to verify school lunch claims independent of AIMS. The underlying premise of Federal review is not to duplicate State efforts but to complement them, given that the Department has overall responsibility to ensure the

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integrity of the National School Lunch Program. We are very sensitive to State concerns that the reviews do not duplicate State work. Therefore, schools subject to review under AIMS are not subject to Federal review in that year.

This year, Federal reviews will be conducted during March, April, and May from a sample of about 200 school food authorities selected randomly for review. We will be sharing the results of the reviews as soon as we can reach some valid conclusions from the data collected. These preliminary results may show us that the overclaim problem is smaller than we now think, or it may foreshadow recommendations to further refine AIMS, to expand Federal reviews, or to take some other appropriate action to ensure that funds are lawfully, efficiently spent.

In addition to the reviews, there will be training provided to States and local food service managers. We are coordinating and developing our plans for the training effort in close consultation with representatives of the school food service industry. It is vital that we take advantage of their insight into the best methods for providing training and technical assistance concerning accountability.

The relatively small amount of money devoted to Federal review has a potentially great payback in reducing overclaims for school

lunches and in maintaining confidence that dollars spent by the taxpayer on school lunches are well-spent. In short, a quality program means both a nutritionally sound program that appeals to our children and a program that is accountable so that it appeals to the taxpayers.

Before leaving the discussion of the National School Lunch Program, I would like to comment on commodity support for the program and in particular correct the record about the level of bonus commodity donations. As you know, we plan to provide the full amount of entitlement commodities provided for in the law, including increases for inflation. At this point, it is not possible to forecast the exact level of bonus commodity donations that schools will get next school year over and above the entitlement levels. Over the past several years, there have been substantial amounts of bonus foods donated to schools, especially dairy items, with millions of pounds being provided. During the current school year, the level of donation of bonus commodities has declined because previous record donations have depleted what was once a very large inventory level. This year schools have received somewhat less bonus foods than we originally estimated to be available, but the drop in quantity is far less than some critics have charged. Bonus commodity distributions decreased \$52 million (or 12%) in school year 1988, about one-quarter of what has been alleged. Most of the change was due to

lower bonus distributions of beef acquired during the whole-herd buyout required by the Food Security Act of 1985. As you know, the Department was required to make a one time \$400 million purchase of beef, pork, and lamb, and half was distributed through domestic channels. Schools received \$65 million in beef in 1987 and \$20 million in 1988. Accounting for the difference, bonus distributions decreased by about \$7 million in school year 1988.

It should be noted, however, that distributions in Fiscal Year 1988 were not much below the average of \$360 million since 1981, the first year when bonus commodity levels to schools increased dramatically. Next year, there will continue to be donated foods and schools will still be able to use these commodities to help prepare economical meals, but we cannot give exact items or amounts until later this year.

The next major programs I would like to discuss are the Supplemental Feeding Programs for Women, Infants and Children (WIC) and the Commodity Supplemental Food Program (CSFP). Taking the Reagan Budget as a starting point, the WIC requirement more than supports continuation of these programs and increases in funding to offset inflation. Additional funds should be available as well from the funds generated through cost containment programs initiated by States in the WIC Program.

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During Fiscal Year 1990 States will save more than \$300 million by reducing the price of different formula sold to WIC infants. These funds should support increases in WIC participation of approximately 700,000.

Another proposal which the Reagan Budget offered is to allow States to request the transfer of part of their allocated funds from WIC to CSFP or from the CSFP to WIC. States would be required to request such a transfer through State plans or plan amendments for both programs prior to the beginning of the fiscal year. The Department would make the transfer only if it is determined that the result would be an increase in the combined total participation in the state of those for whom the program was originally intended: infants and children. This change is intended to give States greater flexibility in allocating caseload between the two programs and to choose appropriate benefits and services to be provided to their target populations. The high risk women, infants and children populations would remain the program's top priority, and current levels of participation by the elderly and women, infants and children in existing and approved CSFP sites would be maintained.

Mr. Chairman, that concludes my testimony. I would be happy to answer any questions you may have.

Chairman HAWKINS. Thank you, Mr. Bode.

I know that there are several questions that the Members would like to ask. Let me yield first to Mr. Goodling.

Mr. GOODLING. Thank you, Mr. Chairman.

Of course, when the Secretary was before the Budget Committee and I was putting words in his mouth, and he said what I wanted to hear.

First of all, let me say that I am pleased to see the Bush budget being quite different from the Reagan budget. I am pleased to see that the new Secretary understands the importance of Section IV if you are going to keep a School Lunch Program going.

I was extremely pleased to hear the Secretary's response when I said, as I have said here several times, that now that we have a CASH state out there, we probably should have Pennsylvania as a CLOC state to really get a better view of what CLOC is.

I was pleased when the Secretary responded, "Well, I want these innovative ideas. I tried ten years ago to get the people to be interested in doing something different as far as commodities are concerned and distribution, et cetera." So, I was very pleased to hear him say that.

I also said to him that I had some real concerns about taking \$6 million to test with "the integrity of this program". It seems to me, that if we have both local auditors and we have state auditors, we are going to have to build a new facility for these School Lunch people so we can get the state, local, and Federal auditors. We won't have enough room for them. They will be falling all over each other.

My hope would be that that \$6 million would go toward better programs to put nutritious food on plates. I just have to believe that there is some way that we can make the local and the state auditors accountable without us spending a great deal of money to do that kind of thing.

All he promised me was he would certainly take a look at that. It would be my hope, that you could find some way that we don't have to spend that kind of money on people running around doing book work that we could use in our food programs and then, somehow or another, make sure that the local audits and the state audits do what needs to be done.

Probably, part of their problem is that they are not quite sure what it is they are supposed to do. At least, we get some testimony to that effect. If you just were specific to exactly what shall be done, I'm sure they would do it.

Then you would have an accounting and you could just do an occasional spot check. They wouldn't know where you were going to spot check, so they would make sure they would do a better job than the auditors did in the savings and loan areas of Texas.

Again, I would hope you can find some way to not spend that \$6 million for that purpose. I do not have the answers as to exactly how you would do that, but unless there is a great deal of fraud and abuse out there—and I have not heard that there is—then I would hope that we would use that money to put nutritious food on the plate.

Mr. BODE. Sir, I think the Secretary is interested in taking a fresh look at this and virtually all of the policies with respect to

the food assistance programs that have been pursued in the past. I think that is a very wise approach.

I have talked with him about this matter and he is interested in taking a fresh look. We do feel that there is cause for concern. I think it is important that we not overstate the problem; that we be cautious not to jump to conclusions.

However, there is very real evidence to give us cause for that concern. Much has been said about the Inspector General's audits. Those audits were an effort to identify school districts that were likely to have problems. Unfortunately, in looking at thirteen school districts, \$2 million worth of inappropriate claims were identified.

Of greater concern, frankly, is that in looking at nationally representative data, this older data, we found that some 22 percent of the claims, in 22 percent of the cases, I guess, there were over claims. That seems to indicate that we do have some significant problems that need to be addressed.

The Federal review system proposal is the Department's suggestion for how we can get a handle on meal counts and claims. I am sure—well, I know—that there is a good deal of confusion, which shouldn't be a surprise when much rhetoric is going around about bearing accounting requirements and standards.

When it gets right down to it, we have one auditing activity that we rely upon to systematically assure the accuracy of meal counts and claims. That is the AIMS system. That system, because of the evidence I have referenced, we are concerned may not be doing the job. That's why we felt Federal review was an appropriate additional effort to find out just what the gravity of the problem is and go after that.

I do not know that any other party in this matter has really come forward with the proposal for how we go about addressing that problem. If the 22 percent number is accurate today—and it may not be—then we would be looking at a \$200 million over claim situation.

I do not think it is a very small problem and one that can lightly be dismissed. We need to be sure that we have got a handle on it. This was our suggestion for how to go about doing that.

If there are alternative methods of accomplishing that objective, we would be delighted to work with you, most certainly, to go about getting the problem taken care of.

Mr. GOODLING. I think my hope would be that somehow or another, you could very specifically tell that school district or tell the state, "This is what we want in relationship to your auditing procedure. These are the things you are supposed to do."

Then, I think we should be able to trust them. I am afraid what you are going to do is you are going to drive the other side very quickly to getting back to that old argument, "How about a free lunch for everyone?" We fought that fourteen years ago.

I think, you know, that I do not think there are people out there that are deliberately trying to abuse the system. I think part of it is in confusion. Part of it is the people you are dealing with when you are trying to determine whether they are eligible or not eligible, and whether they are eligible this month or whether they were not eligible two months ago.

I know that there is real fear out there amongst those who are providing the lunch programs that you may find a mistake that they made. What do you do? What penalty? Again, the penalty eventually will be reduced services to the children, particularly if it is a monetary penalty. It is a little like Chapter I.

Great, we then get the school district to pay back something that they weren't sure was correct or incorrect when they did it. In order to pay it back, of course, they must take the money from the present students in order to do that kind of thing.

So, if there is some way that you can just be very specific in relationship to the state and local audits, then we will trust them. We will spot check here this year and then we will spot check some other place next year, just so they know that somebody may be around sometime. I do not think we need a \$6 million effort.

Mr. BODE. Sir, I asked Mr. Braley to assist me in fully responding to the point you made about clarity of expectations for schools and states in these procedures. I would like to emphasize that we do not feel a penalty would be appropriate here.

I do not think a sanction or a penalty should be used. However, we do not feel that inappropriately granted funds from the Federal Government, over-claims, should be allowed to stay in the hands they were appropriately received by.

Mr. GOODLING. Are you saying you are not trying to reclaim any—

Mr. BODE. I believe that any monies that were inappropriately provided to a school should not be left with the school. If they were illegally—

Mr. GOODLING. But they've already spent them. Then what do you do?

Mr. BODE. I guess, in my view, if they were inappropriately received, if the school got money they should not have received, then they need to pay that back.

The fact that they went ahead and spent those particular funds is not really relevant to the basic question that they got monies through inappropriate claims in those inappropriately received, illegally received, if you will—I do not mean to use inflammatory language there—funds should not be staying in their hands when, under the law, they weren't supposed to be there in the first place.

Mr. GOODLING. The only point I am making there is that in most instances, although I am sure they did not do it intentionally. What I am saying is that now they must take it from the existing students in order to pay that back.

Again, the only pitch I am making is that there has to be some way that we do not have to spend \$6 million. Somehow or another, we can get the state and local auditors to do what needs to be done with maybe a spot check now and then.

I have asked the Chairman whether Mary Jane, when you are finished, could ask any questions that I have. I have to go over and fight the battle on the floor.

I wanted to exchange notebooks with the Chairman. He showed me his notebook to refute everything I'm going to say and I'm showing him my notebooks to refute everything he is going to say on the floor on minimum wage. But I have to go over there.

Mr. POSHARD. Let me apologize, Mr. Bode, for being late. The Chairman, as you know, had to leave to go manage the minimum wage bill on the floor, so if I should ask some questions here that have already been discussed, forgive me. You can just indicate as such.

Could you share with us—I know you have, in rather broad terms—President Bush's budget request for the Child Nutrition Programs? Could you provide the subcommittee with a chart, perhaps not today, but at some point in time, which specifically outlines the Bush budget request? Would you do that?

Mr. BODE. Yes, sir. Yes, sir, we would be pleased to.

Mr. POSHARD. Okay. We would like that, if you could.

Could you also tell us the position of the Administration on Section IV funding? Do you support Section IV funding for all children?

Mr. BODE. Yes, sir. President Bush proposed that Section IV funding be provided in the School Lunch Program and, in that way, it really differed from President Reagan's request.

As you know, as a general matter, in the budget negotiations and discussions with Members of Congress, President Bush generally used President Reagan's budget proposal as a starting point.

He is eager to work with Congress to sort out the budgetary priorities that the country needs; however, that was one point, the Section IV funding in School Lunch and also funding for the Child Care Food Program, where he chose to differ with President Reagan's budget proposal.

Now, like everything else, he feels that he is willing to talk with the Congress, but that is the starting point he is using in those budget discussions.

Mr. POSHARD. I think all of us are appreciative of the fact that there have been some reversals in the budget from President Reagan's to President Bush's budget proposal and we are thankful for that.

In your written statement, this is a question that the Chairman wanted to ask, in your written statement, you discuss the Federal review initiative. As I understand it, the purpose of the review is to verify the School Lunch claims for free or reduced price lunches.

Under the current law, schools are required to verify three percent or three thousand free or reduced price meal claims, whichever is fewer; is that correct?

Mr. BODE. Sir, those are applications for free and reduced-price. That is really a different step in the procedure. If you would like, I can elaborate.

Mr. POSHARD. Yes. Would you?

Mr. BODE. That really concerns the applications provided so that at the beginning of the school year, generally, students take home applications which are then filled out and low income households will fill theirs out to assure that their child gets a free school meal.

What we are talking about here on the three thousand or three percent is the number of those applications that need to be verified to take some efforts to assure that the information provided on those applications is accurate.

That is different from the count and claims procedure where one determines how many children eligible for free meals actually are eating lunch on a given day.

Mr. POSHARD. Let me finish this question here, then, and you can respond to the last half of it.

Mr. BODE. Okay. Fine.

Mr. POSHARD. Under this Federal review, will the USDA be checking only the verified meal claims or will they be looking at every form that a school received that qualified a child for a free or reduced price meal?

Mr. BRALEY. We would, under the Federal review go in and review the applications to make sure the school made the proper decision in approving those applications, and that would apply to all of them.

We would also look to make sure that the verification, the three percent or three thousand that required some substantiation from the household to really sort of back up or bolster the information on the form, to make sure that that was done, as well.

What we would not do, though, is any further checking back with the families to do additional verification while we are in there doing a review.

Mr. POSHARD. That is done for every school that is on the School Lunch Program, right, or do you sample schools?

Mr. BRALEY. This year, the legislation that we are operating the Federal review system under required that we go out to a random sample of school districts around the country.

Mr. POSHARD. I see.

Mr. BRALEY. We had originally intended to target those that looked to have potential problems, but the appropriations committee asked that we go out and look at a representative sample of school districts so we could get a national picture of the extent of this problem.

As a result, this current school year, we are going into two hundred districts around the country and an average of about four schools in each of those districts.

Mr. POSHARD. I assume you will be sharing the results of that survey with the committee, then?

Mr. BODE. Yes, sir. We look forward to doing that. What we anticipate doing is providing an interim report early this summer. The appropriations committees are especially interested in this matter. We are going to provide them an interim report before they mark up and then one later in the summer when all the information is together.

I wanted to be sure that we accurately understood your question. The verification procedures on applications, that's done in all the schools but the Federal review most certainly is not, as Mr. Braley indicated.

Mr. POSHARD. That's a sampling?

Mr. BODE. Yes.

Mr. POSHARD. The Department and the committee staff have begun to meet to find ways to reduce the paperwork in the School Lunch and the other Child Nutrition Programs and we are concerned that these programs cause about 44 percent of all the paper-

work imposed on the education institutions or at least, that is what we are told.

We want you to thank the Department and the people in the Department that are working with the staff for cooperating with the committee in this area. I think there is considerable progress being made.

Mr. BODE. Sir, we intend to cooperate fully. We look forward to that effort. As you know, President Bush is very enthusiastic about reducing regulatory burden. He has had a longstanding interest in that area.

I think that we need to also be sure that the information collection budget this procedure that we use to measure regulatory burden is well understood. What we do is we measure anything that is done that must be done by Federal requirements.

What is included in that, many times, are activities that would be done whether they were required by the Federal Government or not, such as basically keeping of the books on an operation like a school lunch program.

Now, that is a sizeable portion of that 44 percent and so, to chalk that up completely to regulatory burden could be misunderstood. I don't think that when one takes apart the various parts of that 44 percent, there is a great deal of controversy about the bulk of it.

Mr. POSHARD. I think reduction in paperwork is something that needs to be done across the board in all of our programs and, certainly, assigning a percentage to one as opposed to another isn't what we are really after, but still, we appreciate the efforts of the Department in working with the committee on arriving at some solutions to that problem.

Mrs. Lowey?

~~Mrs. LOWEY~~ Thank you very much. I appreciate your testimony. I am sorry I was delayed at another hearing and I missed the beginning of this one.

I would like to ask you a question concerning the WIC funds. I noticed in your testimony, on Page 9, you said that additional funds should be available as well from the funds generated through cost containment programs initiated by states in the WIC program.

I was a little concerned by that. As you know, only half of those eligible for WIC are currently getting it. This is the United States of America. We are talking about feeding women and children. We are bailing out S&Ls and we are finding money for so many other projects in the United States.

What is the outlook for the Administration to increase funds? Is there any chance that we can look forward to this in the future so that more people who are eligible to participate can participate in WIC?

Mr. BODE. Ma'am, I think we look at it in terms of two steps. First of all, we are very pleased that states are moving aggressively to make the best possible use of the funds that are available.

Through cost reduction efforts, most noteworthy are the Infant Formula Rebate activities that have been done, but also other efforts to contain food package costs, states are able to serve more people with the amount of monies that are provided by the Federal Government, so we see that as one very important step.

Second, President Bush has identified the WIC program as a program that he would like to protect and expand. There is simply a matter of sorting out the many demands for funding that are present in the Federal budget. That is why his approach has been to work with the Congress.

He is interested in having the budget discussions sort out those priorities. I think by starting that process with WIC named as a protect-and-expand program, it reflects some significant support.

I think for me to go beyond that, I really just do not have the specifics to back up anything further.

Mrs. LOWEY. Now, it is unfortunate, frankly, because I guess it is a matter of priorities, isn't it? I would think that feeding of women and children is a priority in a kinder, gentler nation.

I would hope that the Administration would take a harder look at military budgets and other areas where I think there is a whole lot more waste than in the WIC program and redirect some of those funds towards the WIC program.

I wonder if you could also comment on Mr. Greenstein's statement on Page 8, where he is talking about reclassifying WIC funds as mandatory spending.

Mr. BODE. I'm sorry?

Mrs. LOWEY. Let me read it. He is saying, "The Congressional budget resolution could assume the same level of modest annual funding increases as in the past three Congressional budgets, \$100 to \$150 million a year over current service levels, but could reclassify WIC funds as mandatory spending."

Are you familiar with that at all?

Mr. BODE. If I may respond more fully in written form, I would appreciate the opportunity to do that, ma'am.

Mrs. LOWEY. Okay.

Mr. BODE. I was remiss in not pointing out before that, of course, the WIC program has grown significantly in the past. We now have some thirty percent of the infants born in the U.S. receiving WIC benefits and the level of service or participation rate below the poverty line is getting to be much better.

We do have a priority system in the WIC program which is one of its greatest strengths, so the monies are going where they are needed most and where the greatest benefits of WIC are provided.

Mrs. LOWEY. Well, I would just hope that we would continuously look at our priorities. I do feel that the feeding of women and children in need is a priority. We must deal with this seriously, and not be satisfied that just thirty percent are being taken care of. We must try to reach a higher goal.

Mr. BODE. Ma'am, I am not sure that we really are as aware as we might be of Congressional views of the amount of flexibility afforded to states in determining eligibility for the WIC program.

Right now, there is a very broad flexibility for states in determining WIC eligibility. In essence, states can broaden the eligible population significantly. How that matter would be addressed with a program that has no state matching requirements is a very interesting one.

When some people are discussing WIC eventually being treated as an entitlement program, it already receives a very, very high

level of Federal funding without state matches and giving such tremendous state flexibility is unique in that context.

I think the Department would be interested in knowing how members of Congress see that somewhat inconsistent argument being reconciled.

Mrs. LOWEY. Okay. Thank you.

Mr. BODE. Yes, ma'am.

Mr. POSHARD. Mr. Payne?

Mr. PAYNE. Thank you, Mr. Chairman.

I do not have any questions other than to, first of all, just say that I am pleased that the recommendation from the Bush Administration for the Child Nutrition Programs, which, according to your remarks, funded at \$4.9 billion in fiscal year 1989 up from 4.6 billion.

I commend the Administration for recommending an increase over the Reagan budget. I certainly feel, though, that neither the Bush budget nor, indeed, the Reagan budget, nearly goes far enough in addressing the needs of people in this category that need help.

I do not have any answers. We are all a panel of freshmen here so we are learning, but I do know that there is, indeed, a great deal of need. Needs are not being met, and I believe that we could all work towards upgrading the programs throughout the country to see that more persons are included in the program, eligible persons, and that we could work with school districts and states on outreach so that boards of education will certainly volunteer to bring these programs on board.

That's all, just sort of a statement, not necessarily looking for any answers, because I have to go vote, too.

Mr. BODE. Yes, sir.

Mr. PAYNE. We will take just a brief recess. Mr. Poshard, the acting Chair, will be back in four or five minutes, so we would just like to take a recess for a few minutes until he returns.

Mr. BODE. Thank you, sir. I explained to Chairman Hawkins before the hearing that I have another hearing at which I must testify. In the event I need to leave in the interim, Mr. Dunn and Mr. Braley will remain to answer any questions from the committee.

Mr. PAYNE. Thank you, very much.

[Recess.]

Mr. POSHARD. Mr. Bode, do you want to make a statement, first of all?

Mr. BODE. Yes, sir. I would appreciate it if you would accept my apology. I used the number \$200 million earlier and that is not correct. I would prefer that if you would permit me to ask the committee to disregard that statement.

The 22 percent that I referred to there is that 22 percent of the schools did, in that 1980 data, have inappropriate claims, but that does not translate to \$200 million.

Frankly, because of the age of the data and the potential for misunderstanding in there, I think that it would be most appropriate that we just not try to put price tags on those sorts of things, but recognize that there are some indications that we should be concerned about count and claim activities.

Mr. POSHARD. We will make sure the committee disregards that figure, then. I know you folks work with so many statistics and so many figures that it is quite normal for somebody to make that kind of statement.

We will go to Ms. Fiske for some questions.

Ms. FISKE. John, do you want to leave now or do you have a few minutes? What is your preference?

Mr. BODE. I appreciate the committee understanding that I do have another hearing at which I need to testify, but I can stay for a few more minutes.

Ms. FISKE. I just have a few quick questions, if it is agreeable.

The first question I wanted to know is whether or not the Bush Administration will be sending up a package of legislative recommendations in the child nutrition area, leaving aside the money. Do you have substantive changes that you will be asking us to look at?

Mr. BODE. There is a package of legislative changes, recommendations, that we have been working on. I guess I feel a little awkward assuring that it will be transmitted, because it has not really received a full review in the White House. The Secretary has not really had an opportunity to focus on it in detail in this transition time.

I want to be sure that the prerogatives of all Bush Administration officials are protected, but that is our intention, to send some recommendations up. I realize the committee has work to do and cannot delay for a long time, waiting for us to make those kind of recommendations.

Of course, in an informal fashion—

Ms. FISKE. We could ask for some technical assistance, could we?

Mr. BODE. The Department's concerns—we have never made any secret about the various concerns we have, and I don't think, from my knowledge of that package, there is anything terribly controversial or novel there.

Ms. FISKE. The second question I wanted to ask was a followup on funding for the three programs that I gather are subject to negotiation as a part of this flexible freeze concept, Special Milk, WIC and the nutrition program for the elderly, the commodity portion of it.

Can you give us any idea what your negotiating posture is for openers? Will you be starting it as current services?

Mr. BODE. I guess I should say, first of all, that in the budget discussions with Congress, the Administration is ready to talk about anything and talk about everything. That is the President's approach. He wants to work with Congress. He does not mean to take a lot of things off the table at the outset.

But, he has stated his preferences in beginning that negotiation where he thinks a starting point should be and in that starting point, he has pointed to the Reagan budget proposals with a few exceptions. Section IV funding and funding for the Child Care Food Program are most notable exceptions in this committee's jurisdiction, at least, and programs that we administer at USDA.

Beyond that, I am really not able to respond because the nature of those discussions is that for these programs, especially, they are being handled by OMB Director Darmont and working directly

with the budget committees and appropriately, that's being handled at that level, I think, and not with my involvement. So, it would be inappropriate for me to comment on that.

Ms. FISKE. We do have a study due March 1st that deals with the appropriate amount of WIC funds that should be committed to administrative costs and nutrition services, and I am just wondering where that is.

Mr. BODE. I apologize for not meeting the March 1 mandated due date for that study. It is being printed. We can provide the committee, this morning, a copy of a Xerox of the Executive Summary, if you would like.

Ms. FISKE. That would be good, yes, if you would, because that is an issue that we are wrestling with.

Mr. BODE. Sure.

Ms. FISKE. The final thing I wanted to ask is whether or not the Department would entertain combining the Retail Grocer Compliance activities that I understand you do at the Federal level in the Food Stamp Program currently with similar activities that the states are now having to deal with in the WIC program.

Would there be some possibility of looking at a way of merging those two things? It seems to me you are after about the same information.

Mr. BODE. Well, I think the functions are somewhat different in the monitoring of retailers. Those differences are significant. We have had some very significant concerns about our effectiveness at the Federal level in monitoring retailer compliance.

Of course, there is the major difference in how retailers are allowed to participate in the two programs, with the Food Stamp Program being very broad and inclusive. That is why we have about 240,000 retail stores redeeming food stamps while the number in the WIC program is much, much smaller, appropriately.

So, the WIC program's, more difficult administration in the retail grocery store can be executed with confidence and also cost can be better contained, food package costs, through the selection of stores. I guess I would be real worried about that.

I am pleased to report to the committee that, over recent years, we have done a better job of getting consistency in—I should not say consistency in treatment, but a better interface, so if we have a problem store in one program, we are doing a better job of recognizing that problem store in the other program and taking appropriate action.

Ms. FISKE. All right. That's all. Thank you.

Mr. POSHARD. Thank you, Ms. Fiske.

Mr. Bode, just a couple of things. I want to remind you that the mark-up on this bill will probably be around May 1st, so if there are any legislative recommendations you wish to get to the committee, they need to be soon.

If you would provide us the chart for outlining the president's budget request, we would appreciate that very much.

Mr. BODE. Yes, sir.

Mr. POSHARD. I think Mr. Payne and Ms. Lowey got their questions in. Ms. Unsoeld, if she has any questions, we will ask that she submit those in writing to you and you can respond accordingly.

If there are no other questions, I thank you for your testimony here and we will look forward to working with you.

Mr. BODE. Thank you, sir.

Mr. POSHARD. The meeting is adjourned.

[Whereupon, at 10:30 a.m., the subcommittee was adjourned.]

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